

**Kingdom of Cambodia
Nation Religion King**

National Bank of Cambodia
No. B8/99/140
December 21, 1999

**PRAKAS
on
the Structure of the Foreign Trade Bank of Cambodia
and Roles/Duties of its Subordinated Offices**

The Governor of the National Bank of Cambodia

- Referring to the 1993 Constitution of the Kingdom of Cambodia;
- Referring to Reach Kram No. NS/RKM/0196/27 of January 26, 1996 promulgating the Law on the Organization and Functioning of the National Bank of Cambodia;
- Referring to Reach Kret No. CS/RKT/0398/85 of March 30, 1998 on the appointment of H.E. Chea Chanto as the Governor of the National Bank of Cambodia;
- Referring to Prakas No. B898-385/P of March 10, 1998 on the Structure of the Foreign Trade Bank of Cambodia and Roles/Duties of its Subordinated Entities;
- Pursuant to the Memorandum of Economic and Financial Policy of the Royal Government;
- Pursuant to the Government policy regarding the Privatization of the Foreign Trade of Bank of Cambodia;
- Pursuant to a resolution of the Board meeting of the National Bank of Cambodia on December 16, 1999.

IT IS HEREBY DECIDED

Article 1: To restructure the Foreign Trade Bank of Cambodia and define the roles and responsibilities of its subordinated offices and subdivisions under the following provisions.

Article 2: The Foreign Trade Bank of Cambodia is under the supervision of the general secretariat and has the responsibilities to conduct the following transactions:

- To extend all kinds of credits to the public, including commitment;
- To receive unallocated deposits from the public;
- To process and provide means of settlement in national currency or cash; and
- To manage foreign exchange, bills operation, transactions of valuable metals, precious stones, and other banking services.

The Foreign Trade Bank of Cambodia shall be managed by one president and assisted by one or more deputies, if necessary, with positions equivalent to director or deputy director of department of the National Bank of Cambodia.

Article 3: The Foreign Trade Bank of Cambodia shall be divided into departments as listed in the attached organizational chart, including:

- (1) The Internal Control Team reporting directly to the senior management;
- (2) The Administrative Office which supervises the following units:
 - Administration and personnel;
 - Information technology; and
 - Coding system.
- (3) The Deposit Office which supervises the following units:
 - Saving deposits and allocated deposits;
 - Current deposits in national currency and cash of public institutions, international organizations, companies and individuals;
 - Interbanking; and
 - Financial banking.

- (4) The International Office which supervises the following units:
 - NOSTRO-VOSTRO accounts;
 - Documentary credit;
 - Remittance;
 - Check cashiering and money exchange;
- (5) The Cashier Office which supervises the following units:
 - Riel transaction management,
 - Currency transaction management;
- (6) The Credit Office which supervises the following units:
 - Public enterprise credits;
 - Company credit and credits for individual; and
 - Legislation and litigation.
- (7) The Accounting Office that manages the following units:
 - Regular auditing;
 - Business income-expenditure accounting; and
 - Central accounting.

Each subordinated office and unit shall be managed by one chief and assisted by one or more deputies, if necessary, with positions equivalent to the director or deputy director of office and unit of the National Bank of Cambodia.

Article 4: The Internal Control Team performs special functions as an operational arm of the bank senior management in ensuring the efficient and transparent implementation of laws, regulations, circulars, and all executive acts by all bank's units and is responsible for:

- Enforcing management decision when necessary to investigate dubious matters or internal irregularities within the bank and shall prepare reports of such activities;
- To verify accounting sheets and periodic reports from each office before submitting to the management for decisions or forward to the licensed auditors for review;
- To monitor regularly the functioning of each office and report any irregularity to the management for remedial actions or timely preventive measures.

The Internal Control Team shall be managed by one chief and assisted by one or more deputies, if necessary, with positions equivalent to a director or deputy director of office and unit of the National Bank of Cambodia.

Article 5: The administration office has the responsibilities to ensure the smooth functioning of the bank, manage the bank's assets, look after the social welfare assurance of bank's officials, provide means of works and ensure security and public order for the following units:

1. The Administration and Personnel Unit which shall be responsible for:
 - preparing, sending and maintaining on file all correspondences or documents for internal or external circulation;
 - receiving, circulating and maintaining on file all correspondences or documents;
 - providing materials and other means to support the bank's needs;
 - maintaining an inventory of movable/immovable properties and providing for their regular maintenance;
 - maintaining personnel attendance roster, organize program of activities for the senior management, and handle guest protocols and other ceremonial matters;
 - managing payrolls, allowances, recommend position advancement or praise, handle disciplinary action; and
 - preparing periodic budget plan to support the functioning of the bank.
2. The Information Technology Unit which shall be responsible for:
 - preparing administrative letters, payroll sheets and other documents based on draft requests made by the administrative office or other specialized offices;
 - maintaining in computerized format important documents;

- maintaining in computerized format accounting data;
 - maintaining and preserve computer equipments and their accessories.
3. The Coding System Unit which shall be responsible for:
- verifying the codes on incoming telexes;
 - using codes for dispatching telexes;
 - maintaining on files all telex documents.

Article 6: The Deposit Office shall have the responsibilities to process deposit operations in national currency or cash from customers in order to increase capital of the bank and shall manage the following units:

1. The Savings and Fixed Deposits Unit which shall be responsible for:
 - accepting deposits and making savings withdrawal under specified conditions;
 - maintaining savings books and computing interests for account owner for the specified period;
 - receiving fixed deposits, computing interests and extending or returning them at their expiration date;
 - preparing daily balance of accounts (sum of deposits-withdrawals) and deliver to the central accounting unit for recording;
 - adding all customers deposits and reconciling the amount for the specified period with the balance sheet of the central accounting unit; and
 - evaluating at the end of each month the balance sheets of all currencies.
2. The Current Deposit Unit in national currency and cash for public institutions, international organizations, companies and individuals which shall be responsible for:
 - providing deposit services for accounts of public institutions and nationals;
 - providing deposit services for accounts of international organizations and foreign nationals;
 - providing deposit services for accounts of companies and private enterprises;
 - providing deposit services for individuals unallocated accounts;
 - reconciling the accounts of depositors; and
 - evaluating at the end of each month the balance sheets of all currencies.
3. The Interbank Unit which shall be responsible for:
 - accepting deposits and withdrawals made by commercial banks, branches of the National Bank of Cambodia and the National Bank of Cambodia;
 - opening deposit accounts and offering all form of payment settlements to commercial banks, if necessary; and
 - evaluating at the end of each month the balance sheets of all currencies.
4. The Financial Banking Unit which shall be responsible for:
 - projecting cash flow in order to ensure a proper liquidity control;
 - providing alternatives for capital utilization or emergency in reliance on the discount financing;
 - evaluating average interest rate for deposits and loans; and
 - evaluating the prudential ratio.

Article 7: The International Office has the responsibilities to conduct operations related to inter- bank co-operation, documentary credits settlement, fund transfer, cashing of checks, and shall manage the following units:

1. The NOSTRO-VOSTRO Account Unit which shall be responsible for:
 - To open NOSTRO accounts (maintain accounts of its associate foreign bank) and to maintain filed specimen signatures, all forms of international settlement deposits, and reconcile surplus derived within a specified period;
 - To accept VOSTRO accounts (maintain accounts of its associate foreign bank) and to maintain filed specimen signatures, all forms of international settlement deposits and reconcile surplus derived within a specified period; and

- To evaluate at the end of each month the balance sheets of all currencies.
2. The Documentary Credit Unit which shall be responsible for:
 - issuing and accepting letter of credits and processing payment at the customers' request and making recovery against the associate bank under the specified terms and conditions.
 3. The Remittance Unit which shall be responsible for:
 - accepting application for money remittance and transfer to a foreign country through a coding system under the specified conditions; and
 - securing the delivery of net sum of remittance and incoming transfer through its associate foreign bank to the consignee.
 4. The Check Cashiering and Money Exchange Unit which shall be responsible for:
 - collecting traveler's checks accepted by the Money Exchange Unit and other checks and securities tendered by the customers after they are found to be acceptable;
 - preparing advice for the transfer of such checks and securities for payment at the order of the relevant associate foreign bank and processing payment for the customers in compliance with the specified conditions;
 - monitoring and making daily exchange rate adjustment of foreign currencies against the Cambodian Riels;
 - processing money exchange in cash or through credit cards; and
 - preparing a report of daily operation for the Riel denominated incomes-expenses against other currencies.

Article 8: The Cashier Office has the responsibilities to process and maintain revenues and expenses operations in national currency and other currencies with national and foreign customers and shall manage the following units:

1. The Riel Management Unit which shall be responsible for:
 - ensuring accurate counting of deposits and withdrawals by customers;
 - organizing bank notes into its categories, inspect their conditions, trace fake notes, and set aside old notes, torn notes, and defective notes for treatment in compliance with the specified conditions;
 - closing the daily Riel denominated cash accounts by reconciling against the cash journal and maintaining it in compliance with the specified conditions;
 - preparing income/expense sheets, statistics and reports for the specified period for the Riel account.
2. The Currency Management Unit which shall be responsible for:
 - ensuring accurate counting of deposits and withdrawals in cash of any currency made by customers;
 - examining the conditions of bank notes in order to identify fake or defective notes;
 - closing the daily cash accounts by reconciling against the cash journal and maintaining it in compliance with the specified conditions;
 - preparing income/expense sheets, statistics and reports for specified period of the currency account.

Article 9: The Credit Unit has the responsibilities to conduct credits operations in national currency and cash to consumers, to service and collect the loan repayment at the specified time and conditions, and shall manage the following units:

1. The Public Enterprise Credit Unit which shall be responsible for:
 - assessing and reviewing business assets and debts listed in the credit application submitted by private or public enterprise customers;

- organizing credit files under specified terms and conditions and preparing recommendations to the office directors proposing further actions from the senior management;
 - preparing files for withdrawal, use of credits, loan repayment, and interest charge, processing the credits and notifying the maturity date;
 - providing update information regarding bankruptcy or other contingent liabilities of the debtors and recommending legal preventive measures against such risk;
 - considering and evaluating the level of bad debts risk and prepare specific periodic reports; and
 - evaluating at the end of each month the balance sheets of all currencies.
2. The Corporate and Individual Credit Unit which shall be responsible for:
- assessing and reviewing business assets and debts listed in the credit application submitted by corporate or individual applicant;
 - organizing credit files under specified terms and conditions and preparing recommendations to the office directors proposing further actions from the senior management;
 - preparing files for withdrawal, use of credits, loan repayment, and interest charge, processing the credits and notifying the maturity date;
 - providing update information regarding bankruptcy or other contingent liabilities of the debtors and recommending legal preventive measures against such risk;
 - considering and evaluating the level of bad debts risk and prepare specific periodic reports; and
 - evaluating at the end of each month the balance sheets of all currencies.
3. The Legislation and Litigation Unit which shall be responsible for:
- investigating and proposing solution through mediation or litigation for any disputes arising out of the bank operations;
 - preparing lawsuit filing against defaulting debtors upon instruction by the senior management;
 - preparing arguments for defense and claims against debtors with the courts of all levels;
 - representing the bank in a defense or claim in the court of law; and
 - collecting court ordered awards.

Article 10: The Accounting Unit shall have the responsibilities of conducting regular examinations of the accounting receipts submitted by all specialized units in order to ensure proper compliance with the accounting rules, entering general accounting books, setting up periodic accounting list, performing fiscal accounting activities and analyzing accounting results, and shall manage the following units:

1. The Regular Examination Unit which shall be responsible for:
- collecting and performing for each operation daily review of items in order to ensure proper compliance with the accounting rules and allocate based on the account registration;
 - identifying errors or incidental discrepancies to a specialized unit for prompt adjustment;
 - timely reporting to the management for resolution any apparent breach which has been observed and cannot be remedied.
2. The Income/Expense Business Accounting Unit which shall be responsible for:
- maintaining accounting books of items which are related to the collection of revenues incurred by all units;
 - maintaining accounting books of items which are related to the payment for expenses incurred by all units;
 - forwarding the daily account books to the Central Accounting Unit; and
 - evaluating the balance sheet of all currencies at the end of each month.
3. The Central Accounting Unit which shall be responsible for:

- maintaining accounting books of items which are enclosed the global accounting books submitted by other units and specialized offices and prepare the daily balance sheet and other periodic balance sheets;
- maintaining an accounting registration, preparing the income statement and balance sheet at the end of accounting period; and
- preparing an accounting analysis report for the senior management if necessary.

Article 11: Other than those duties hereby stipulated, the officials shall perform other responsibilities as assigned by their superiors.

Article 12: During the performance of their responsibilities, the personnel of the Foreign Trade Bank of Cambodia shall ensure the professional secrecy in accordance with Articles 16 and 71 of the Law on the Organization and Functioning of the National Bank of Cambodia.

Article 13: Any Prakas or regulations which are contrary to this Prakas shall be deemed null and void.

Article 14: The General Secretariat, General Department, Cashier General, Department of General Inspection, all departments/entities and branches of the National Bank of Cambodia shall responsible for the enforcement of this Prakas in accordance with their respective responsibility.

Article 15: This Prakas shall enter into force from the date of its signature.

Article 16: This Prakas shall loose its validity upon the completion of the privatization of the Foreign Trade Bank of Cambodia.

Phnom Penh, December 21, 1999

Governor

Chea Chanto