

# *The* CAMBODIA DAILY

## **Finance Ministry Launches Securities, Exchange Commission**

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30 April, 2009

In another step towards launching a stock market in Cambodia, the Finance Ministry inaugurated its own securities and exchange commission Wednesday, a body intended to offer transparency and protect investors from fraud.

Minister Keat Chhon, the new chairman of the Securities and Exchange Commission of Cambodia, said Wednesday that the securities sector will become an essential part of the financial sector.

"As the regulator, the Securities and Exchange Commission of Cambodia shall assure a fair, effective and sound market," he said at the inauguration of the SECC office in Sen Sok district Wednesday, according to a copy of his remarks.

The SECC will help ensure transparency and protect against "abuses and frauds, such as insider trading and market manipulation," he said.

The preparations for the stock market are running on time, but a date for the stock market's launch has not been decided, Mr Keat Chhon said.

The stock market launch was originally scheduled for September and later pushed back to December, though Mr Keat Chhon declined in March to say if the stock market would launch in December.

In-pyo Lee, the Phnom Penh based project manager for the Korea Exchange, which will help operate the exchange, said the commission's management team must create rules and regulations.

The Korea Exchange operates the South Korean exchange.

"We still have more time until the opening, and they will be ready," he said, noting that the commission's management team has received training over the past two years, and that several have doctorates from French and Australian universities, but that they lack experience regulating a stock exchange.

Sok Kong, CEO of the Sokimex Company, said he was skeptical about whether the stock market would be ready to launch due to the financial crisis.

"The situation of the economic crisis has affected [Cambodia] and it still looks serious, so it looks impossible for the creation of a stock market this year," he said.

Mong Reththy, CEO of the commodities conglomerate Mong Reththy Group, said he was looking forward to the exchange and anticipated that a new stock market would help him gather capital for agricultural ventures. Because projects like palm oil plantations take several years to turn a profit, banks are often unwilling to take the risk, but stockholders may be more eager, he said

"Selling a share is far better than borrowing money from the bank, as some people have money, but they do not want to run a business so they would prefer to buy a share," he said

Douglas Clayton, CEO of the private equity fund Leopard Capital, said it is essential that investors have confidence in the securities commission.

"I'm optimistic. It's too early to be pessimistic," he said.