

# Prakas on Reporting and Notifying Obligation and Request for Approval for Trustees

January 2024 LEGAL UPDATE

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On 23 December 2023, the Trust Regulator of Cambodia (“**TR**”) issued Prakas no. 067 on Reporting and Notifying Obligation and Request for Approval for Trustees (“**Prakas 067**”). Prakas 067 aims to monitor and observe the obligation of trustees to ensure transparency and accountability by complying with the laws and regulations in the trust sector.

Prakas 067 sets out the obligations to report, notify and request approval for trustees who have obtained licenses/permits from TR.

## **Obligation to Report**

Trustees are obliged to submit reports to TR in accordance with below timelines:

- Monthly reports (no later than the 10<sup>th</sup> day of the following month);
- Semesterly reports (no later than the 15<sup>th</sup> day of the first month of the next semester); and
- Annually reports (no later than the 31<sup>st</sup> of March of the following fiscal year).

The report shall include, among others, financial report, dispute and settlement, organizational structure, trust fund management report, and insurance contract to insure the liability of a trustee.

## **Obligation to Notify**

Trust companies shall submit a written notice to TR upon the change/occurrence of any of the following which may have an adverse impact on the operation and/or the trust fund:

- A change in relation to the management of the company;
- Asset of the company;
- Credit and debt obligation of the company;
- Investment status of the company;
- Benefit structure of the company; and
- Any other changes in relation to the control and financial standing of the company.

Trust companies shall immediately submit a written notice to TR in case the company itself and/or its holding company, parent company, affiliate, subsidiary, branch, representative office, shareholder, head of operation, accountant, compliance officer, individual trustee or senior officer of that company being involved in any criminal

or civil action or being charged with a misdemeanour or felony or convicted under the law of any jurisdiction, or having their licenses/permits suspended or revoked by regulator in any jurisdiction.

Trust companies shall also immediately submit a written notice to TR under the circumstances where its holding company, the parent company or affiliate encounters or undertakes any of the following:

- A partially or wholly merger or transfer of the business;
- Restriction or limitation on the issuance of checks;
- Resolution of dissolution of the company;
- A process of insolvency proceedings; or
- Other situations as required by TR to notify.

### **Obligation to Request for Approval**

Trust companies shall request approval from TR under the following circumstances:

- Merger or acquisition of their companies or transfer of their business operations;
- Winding up, dissolution, suspension and cessation of trust activities; or
- Setting up of new subsidiaries and/or representative offices.

## AUTHORS' PROFILES



Mustafa Kocadag  
Senior Partner/Head of  
Corporate & Commercial



Say Vareap  
Senior Associate