

PRAKAS
ON
THE SOURCE OF FUND FROM DEPOSITS FOR LOCALLY USE OF BANKS
AND FINANCIAL INSTITUTIONS

Article 1:

Measures shall be taken to restrict the outflow of the source of fund which are the customers' deposits collected located under locally by the banks (commercial banks) and financial institution operated under the supervision of the National Bank of Cambodia to ensure that local saving can be used for investment locally.

Article 2:

All banks and financial institutions shall keep the total amount of deposits (100%) collected from customers and from interbank for their own use inside the country. The evidence of this shall be reflected in the sum of following items of the asset side of the balance sheet:

- Cash in hand
- Deposits with local bank
- Deposits with the NBC (minus 100% of capital reserve requirement)
- Loans and advances

This sum shall always be at least equal to the total deposits collected from customers and interbank.

Article 3:

Every month, the banks and financial institutions shall send table as mentioned in article 2 to the NBC (Supervision Department), hereby attached with monthly report on assets and liabilities (balance sheet) as regularly do every month.

In case where it is seen that the table is not conformed to the condition specified in article 2, the concerned institutions shall be penalized 1% of deficient amount per month. It is the first remonstrance for a period of one month, and it will be more serious according to the case.

Article 4:

The General Secretariat, The General Directorate, General Cashier, General Inspection, all departments and all banks and financial institutions under the supervision of the National Bank of Cambodia shall strictly abide by regulations of this Prakas.

Article 5:

This Prakas shall be effective from the date of October 1, 1998

Phnom Penh, 28 August 1998

The Governor

Signed and Sealed: **Chea Chanto**