



Cambodia Legal Update: Prakas on the Issuance of Infrastructure Bonds

On 30 May 2025, the Non-Bank Financial Services Authority issued Prakas No. 046 on the Issuance of Infrastructure Bonds ("**Prakas**"), establishing the regulatory framework governing the issuance and post-issuance obligations of infrastructure bonds in Cambodia. The Prakas aims to ensure that such issuances are conducted in an efficient, effective, accountable, and transparent manner.

Key Highlights from Prakas No. 046

This Prakas outlines the regulatory framework for infrastructure bond issuance in Cambodia. The key provisions include:

1. Scope of Application
2. Types of infrastructure Bonds
3. Eligible Infrastructure Assets for Bonds Issuance
4. Issuance Requirements
5. Post-Issuance Requirements
6. Penalties

1. Scope of Application

This Prakas applies to (i) the public issuance infrastructure bonds; (ii) the private placement of infrastructure bonds; and (iii) the issuance of infrastructure bonds for qualified investors as well as all relevant stakeholders involved in the issuance process.

2. Types of infrastructure Bonds

Infrastructure Bonds may be issued by public limited companies or permitted entities in the form of (i) Corporate Infrastructure Bonds, (ii) Infrastructure Project Bonds; or (iii) Infrastructure Securitization Bonds.

- **Corporate Infrastructure Bonds:** refers to bond issuance by companies specialized in infrastructure development, intended to finance or refinance, the development, construction, operation and maintenance of infrastructure assets. The bond may be offered through private placements, public offering, or to qualified investors.
- **Infrastructure Project Bonds:** refers to bond issuance by companies specialized in infrastructure development established as Special Purpose Vehicle (“**SPVs**”) by a sponsor specifically to hold the assets of the project. The bond may only be offered through private placements, or to qualified investors.
- **Infrastructure Securitization Bonds:** refers to bond issuance by SPVs incorporated by an infrastructure development company known as the originator. The originator shall have an account to receive credits or other financial assets such as account receivable, loan or other financial assets. The issuance of Infrastructure Securitization Bonds is subject to a separate regulation.

3. Eligible Infrastructure Assets for Bonds Issuance

Infrastructure assets refer to physical infrastructure or systems that are developed and/or operated to deliver public services, either directly or indirectly, that support the functioning, efficiency, and productivity of the economy and society. The Prakas has specifically identifies the following sections as the eligible infrastructure assets to be used for the issuance of infrastructure namely (i) Transportation; (ii) Renewable Energy Generation, (iii) Non-renewable Energy Generation; (iv) Energy Storage, Transmission, and Distribution; (v) Energy Generation and Processing; (vi) General Energy Infrastructure; (vii) Social Infrastructure; (viii) Telecommunication; (ix) Water; (x) Waste; (xi) Environmental Infrastructure; or (xii) Other qualifying infrastructure assets. The SERC may approve other infrastructure assets not included in the above sectors on a case-by-case basis.

Furthermore, Securities and Exchange Regulator of Cambodia (“SERC”) issued Guideline No. 45/25 on Eligible Infrastructure Assets to be used for Infrastructure Bonds Issuance on 02 June 2025 which provides detailed

description of eligible infrastructure assets across 12 sectors that may be utilized for infrastructure bond issuance.

4. Issuance Requirements

Persons proposing to issue infrastructure bonds backed by eligible infrastructure assets are required to submit an application to obtain approval from the SERC. They must comply with the eligibility requirements set out in (i) the Prakas on the Issuance of Debt Securities for public issuance and (ii) the Prakas on the Issuance of Debt Securities for Qualified Investors for issuance to qualified investors. The application process includes submission such as: (i) Application Form; (ii). Disclosure Document; and (iii) Supporting Documents as specified by SERC.

The Disclosure Document must detail the planned use of proceeds from the issuance of Infrastructure Bonds in accordance with the principle of the Prakas, including specific allocations and implementation stages, in accordance with the relevant Prakas. If any proceeds are to be allocated to third parties, the issuer must disclose those arrangements along with the validity period of the related agreements. Where the issuance is linked to an investment plan, the document must clearly present that plan, and if multiple plans exist, each must be outlined separately and in full.

5. Post-Issuance Requirements

Issuers are required to maintain transparency and accountability through ongoing disclosures, including:

- **Annual Progress Reports:** detailing the utilization of funds raised from bond issuance.
- **Timely disclosures:** for Corporate Infrastructure Bonds, disclosures must comply with Prakas on Corporate Disclosure and Prakas on the Issuance of Debt Securities for Public Issuance, and Prakas on the Issuance of Debt Securities for Qualified Investors, depending on the method of placement.
- **Important Reporting Obligations for Issuers of Infrastructure Project Bonds:** Issuers of Infrastructure Project Bonds offered to qualified investors must comply with the reporting requirements set out in the Prakas on the Issuance of Debt Securities for Qualified Investors, as well as report the following events:
 - Updates on the progress of infrastructure projects financed by the bonds, including key milestones, construction developments, and any significant challenges or risks.
 - Disclosure of material events that could impact the value of the bonds, such as changes in the issuer's financial condition, major delays, regulatory developments, or other factors affecting the issuer's ability to meet its obligations.
 - Reports on the issuer's repayment capacity, including assessments provided by credit rating agencies.

- Confirmation of the issuer's compliance with applicable laws, regulations, and regulatory requirements.
- Updates on corporate governance, including structural changes, board composition, and details on director and senior management remuneration and compensation.
- Insights into trends in the infrastructure sector, shifts in economic conditions, and other macroeconomic factors that may influence the infrastructure bond market.

6. Why This Matters

Under this Prakas, issuers of infrastructure bonds and other relevant stakeholders who fail to comply with the stipulated requirements may be subject to both monetary and/or administrative penalties. Specifically:

- **Monetary Penalty:** A fine of up to **KHR 250 million** may be imposed for non-compliance.
- **Administrative Sanctions:** These may include, but are not limited to:
 - Suspension of the infrastructure bond issuance;
 - Public disclosure of non-compliance;
 - Other regulatory actions deemed appropriate by the SERC.

Stakeholders are strongly advised to ensure full compliance with the provisions of this Prakas and any related guidelines issued by SERC to avoid enforcement actions.

Should you need any further information or assistance or navigating the regulatory requirements, please reach out to us via the contacts below.

The information provided here is for information purposes only and is not intended to constitute legal advice. Legal advice should be obtained from qualified legal counsel for all specific situations.

Contacts



Martin Desautels

Senior Partner,
Cambodia, Vietnam
martin.desautels@dfdl.com



Nearirath Sreng

Partner,
Cambodia
nearirath.sreng@dfdl.com