



NATIONAL BANK OF CAMBODIA

Riel. Stability. Development.

PAYMENT SYSTEM DEVELOPMENT

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PAYMENT SYSTEM DEPARTMENT

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The views expressed in this presentation are those of the author and do not necessarily represent the views of the NBC.

Central Bank's Role in Payment System



Catalyst

Oversight

Operator



Key Roles and Functions

Policy & Framework	Infrastructure Development	Oversight and Supervision
Laws	Large value payment	PFMI Assessment
Regulations	Retail payment	Payment Services Provider
Supervision	Cross-border remittance	Third Party Processor
Oversight	Interbank money market	Banking Institutions
Catalyst	Government payment	Payment System Operator
Cooperation	National trade depository	



Infrastructure Development

Retail Payment

- NCS Net Settlement
- Fast Payment
- Central Shared Switch

Large Value Payment

- Online Platform
- Real Time Gross Settlement

Cross Border Transfer

- SWIFT Network
- Bilateral Connection
- Informal Channel

Interbank and Money Market

- NCD
- FX
- LPCO

Government Payment

- Online Payment
- Financial Management Information System

National Trade Depository

- Securities Settlement System
- Central Securities Depository



Retail Payment

National Clearing System

- Operate: 2012
- Instruments: Check, Credit Transfer
- Members: 39 (Bank 39)

FAST Payment

- Operate: 2016
- Instruments: Real Time Fund Transfer
- Members: 15 (Bank 9, MDI 6)

Cambodia Shared Switch

- Operate: Expecting-October 2017
- Instruments: ATM, POS
- Members: 3 (Bank 2, MDI 1)

Large Value Payment

Online Banking – Gross and STP

- Operate: 2016
- Instruments: Fund Transfer
- Users: 24 (Bank 19, MDI 5)

RTGS

- Operate: TBC
- Instruments: TBC
- Members: TBC



Cross Border Transfer

SWIFT Network

- Correspondent Banking

Bilateral Connection

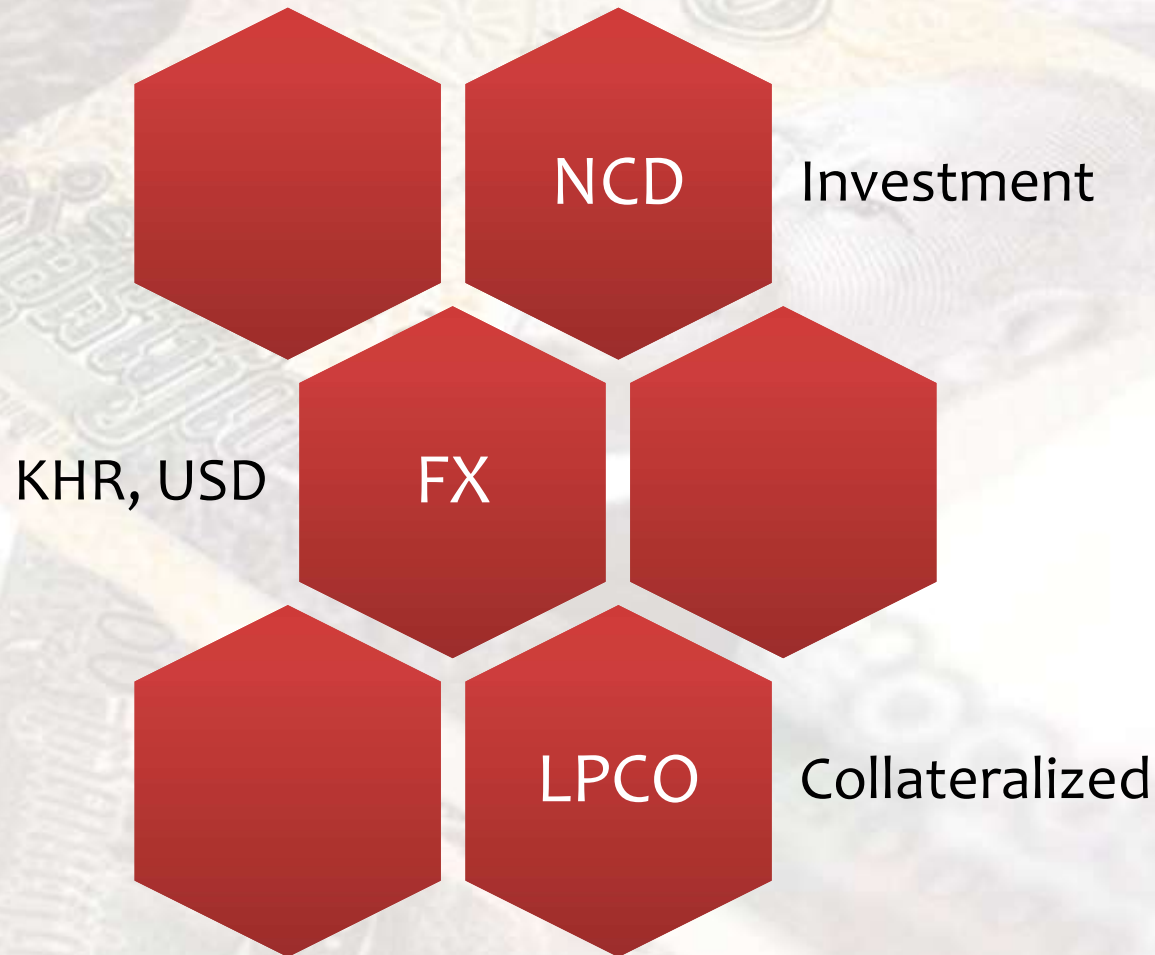
- Private Network

Informal Channel

- Family and Friends
- Informal Money Transfer



Interbank Market – NBCP



Legal and Regulatory Framework

- Law on the Organization and Conduct of the National Bank of Cambodia (1996)
- Law on Banking and Financial Institutions (1999)
- Law on Negotiable Instruments and Payment Transactions (2005)
- Regulation on Clearing System of Settlement Payment (2006)
- Regulation on Systemic Risk Management of Payment System (2006)
- Regulation on the Establishment of Bank Identification Number (2008)
- Regulation on Third-party Processors (2010)
- Regulation on Membership of FAST and CSS (2016)
- Regulation on the Implementation of the Rules and Procedures for National Clearing House (2016)
- Regulation on Payment Service Providers (2017)
- Regulation on the Implementation of the Rules and Procedures for the Cambodia Shared Switch (2017)



Key Policy Consideration

- Currency
- Membership
- Instruments
- Standardization
- Pricing
- Transaction Limit
- Settlement Process
- Operation Hours
- Collateral
- Liquidity
- Risk Management
- Dispute Resolution



Oversight of Payment System



Oversight of Payment System



Principles for Financial Market Infrastructure

	PFMI		PFMI
1	Legal Basis	13	Participant Default Rules and Procedures
2	Governance	14	Segregation and Portability
3	Framework for Risks Management	15	General Business Risk
4	Credit Risk	16	Custody and Investment Risk
5	Collateral	17	Operational Risk
6	Margin	18	Access and Participation Requirement
7	Liquidity Risk	19	Tiered Participation requirement
8	Settlement Finality	20	FMI Links
9	Money Settlement	21	Efficiency and Effectiveness
10	Physical Deliveries	22	Communication Procedures and Standards
11	Central Securities Depository	23	Disclosure of Rules, Key Procedures, and Market Data
12	Exchange-of-Value Settlement System	24	Disclosure o Market Data by Trade repositories

Supervision of PSP

Prudential
Norm



Supervision

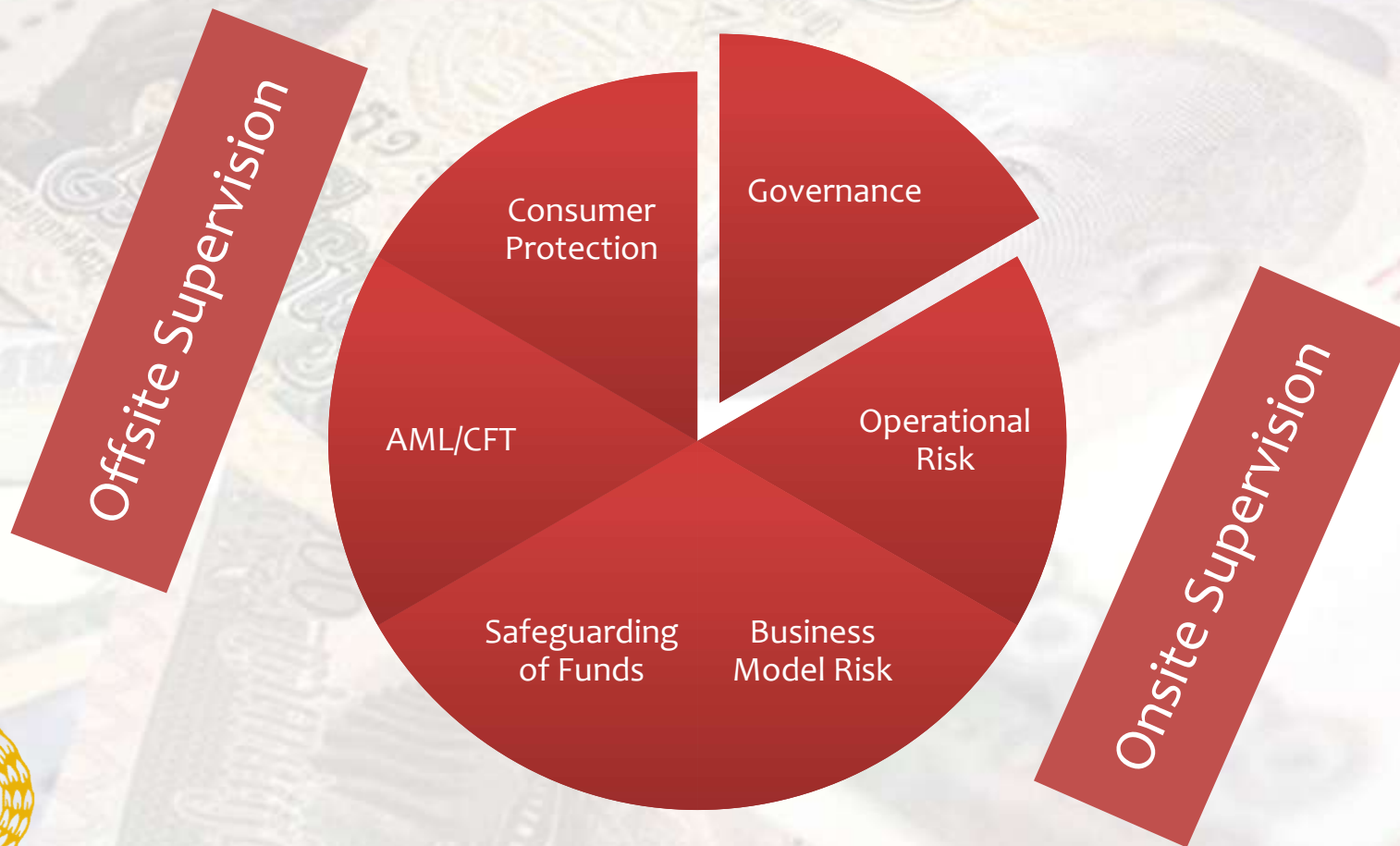
Institutions



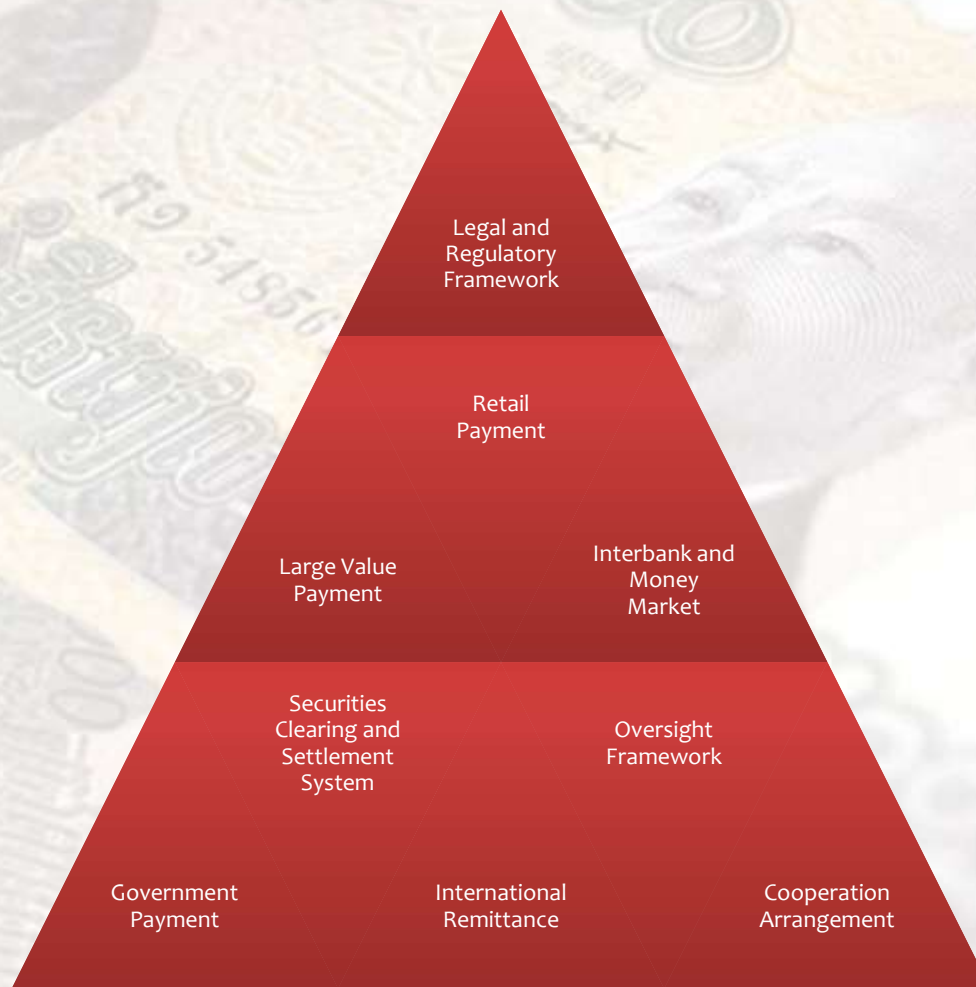
Regulatory Issues



Supervision Framework



Payment System Strategy



Many Thanks and Best Wishes!

