

PRAKAS
ON
FIXED ASSETS OF BANKS

Article 1

Ownership of fixed assets by banks is regulated by the present Prakas.

Article 2

Fixed assets can be acquired by banks only in two cases:

Either they are directly used for operating the bank, **Or**, though not used for operating the bank, they become its property by legal enforcement of a guarantee and help reducing the exposure on bad loans.

Article 3

Fixed assets acquired by banks for operational purposes shall remain inferior to 30% of total net worth as defined in Prakas B 7.010-182.

Article 4

Fixed assets with no direct link to operating the bank shall be sold no later than one year after the date they become property of the bank. They will be accounted for in the books of the bank at their fair value.

Article 5

Any breach of the present parkas will fall under sanctions and penalties mentioned in article 52 of the Law on Banking and financial institutions.

Article 6

The Banks will report monthly to the National Bank of Cambodia on the compliance to the present Prakas following a format set by circular.

Article 7

The General Direction, the General Secretariat, the General Inspection, the General Cashier and all Departments of the National Bank of Cambodia, and all Banks under the NBC's supervisory authority shall strictly implement this Prakas.

Article 8

This Prakas shall have effect from the signing date.

Phnom Penh, 08 November 2001

The Governor

Signed and Sealed: **Chea Chanto**