



សហគម្មនាគារណ៍កម្ពុជា
THE ASSOCIATION OF BANKS IN CAMBODIA

Development Fund Policy

4th Revision Date: 01st April 2022

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Development Fund Policy

1. Introduction

1.1. Policy Objective

This policy aims to provide guidelines towards the creation and funding of an endowment through Development Fund (“DF”) that would be used in regard to education to support the development of financial services in Cambodia.

1.2. Legal Structure

The DF will be administered by the Association of Banks in Cambodia (ABC). The Education Committee of ABC will provide recommendations on fund allocation for the approval by the Council of ABC.

1.3. Purpose of DF

The permanent educational endowment, namely the DF is aimed at encouraging Financial Institutions (FIs) to:

- a. Train their own staff and not to resort to recruiting staff from other FIs. (This is to ensure that there is no excessive bidding up of salaries by FIs that is far in excess of the actual level of productivity in order to meet their human capital requirements); and
- b. Train new staff to replace poached staff via the Institute of Banking and Finance (IBF) run programmes. Funds from the DF are to be used to subsidise training programmes and other educational initiatives arranged by IBF for the benefit of all FIs.

It is also proposed that proceeds from the DF can also be used to:

- a. Develop the curriculums, accreditation, examinations, and certification work for member FIs;
- b. Develop Financial Literacy Programmes for the general Cambodia community, where the IBF in collaboration with ABC, would set the Industry Standard for FIs (and Non-Governmental Organisations) to deliver a consistent and relevant programme;
- c. Research initiatives that benefit the majority of FIs and are sanctioned by the ABC, and National Bank of Cambodia (NBC);
- d. Provide development fund for banking infrastructure that benefits the majority of FIs and the Cambodian Consumer which is sanctioned by the ABC and NBC.
- e. Establish a Scholarship Program for outstanding students to develop/enhance their human capacity as well as the Cambodian financial system and the banking sector; and
- f. Serve other purposes as determined by the Education Committee and the approval by the Council of ABC.

1.4. Scope of Policy

This policy document sets out guidance on contributions by FIs to the DF managed by the ABC.

2. Applicability

This policy document is applicable to all:

- Commercial banks
- Specialised banks

Microfinance Institutions (MFIs) may adapt this policy through the Memorandum of Understanding between the Association of Banks in Cambodia (ABC) and the Cambodia Microfinance Association (CMA) and/or any MFIs approved by the Council of ABC.

3. Effective date

This policy is effective from **1st May 2019**.

4. Definitions

For purposes of this policy document:

- “Financial Institution (FI)” hereby refers to a legal entity licensed by the NBC to carry out banking operations applicable under this policy.
- “Staff poaching” refers to the recruitment of any new staff that meets the description set out under paragraph 5.1 with or without solicitation.
- “Gross salary” refers to a basic salary plus fixed allowances. Fixed allowances are any payment either in cash or in kind regardless of the employee’s performance (excluding bonus). Gross Salary refers to the final salary, and not a probation salary.
- “Recruiting FI” is the FI that recruits staff from other FIs
- “Releasing FI” is the FI whose staff has been recruited by another FI.

5. Scope of Staff Poaching

5.1. Staff poaching may occur when:

An offer of employment from a FI is accepted by someone who:

- (i) is currently employed by another FI;
- (ii) is still within the three months (90 days) period of leaving another FI, and
- (iii) earns minimum gross salary of 750 USD in their new employment with either condition (i) or (ii) of this clause 5.1 applied.

5.2. A FI shall be exempted from contributing to the DF if:

- a. The employee being poached has resigned from his/her previous FI employment for a period greater than three* months (90 days) before joining the new Bank, and the new Bank did not provide income coverage during that period, paid prior or post-employment.
- b. The employee was employed by a non-FI or was unemployed for a period of greater than three months (90 days) prior to joining the new Bank
- c. The new employee’s employment was terminated by the previous employers, ie. dismissal or retrenchment.

6. Contribution to Development Fund

- 6.1. Irrespective of the retention duration, the Recruiting FI shall contribute a sum equivalent to one month of the employee's new gross salary unless any of conditions in clause 5.2 applies.
- 6.2. 75% of this contribution shall be reserved as training credits for respective Releasing FIs.
- 6.3. All training credits will expire within three years upon the issuance of Training Credit with extension of up to 6 months. The expired training credit shall be deemed as DF.

7. Staff Declaration Procedures

- 7.1. The Recruiting FI shall report the recruited employee(s) by completing the Staff-in Declaration Form in Appendix (1) when the offer of employment is accepted by the employee. The electronic copy of staff declaration shall be submitted to the ABC between the 1st and 15th of following month. The Recruiting FI shall also submit a copy of the Staff Declaration (reported to the Ministry of Labour) to the ABC for verification purpose, upon request.
- 7.2. The Releasing FI shall report the released employee(s) by completing the Staff-out Declaration Form in Appendix (2) and submit the electronic copy to the ABC between the 1st and 15th of following Month. The Releasing FI shall submit a copy of the Staff Declaration (reported to the Ministry of Labour) to the ABC for verification purpose, upon request.
- 7.3. Once ABC has set up its online DF platform, all reporting will be done through the online platform. FIs will be informed of the implementation of the online platform in a separate notification
- 7.4. ABC shall be responsible for the collection of the contribution from the Recruiting FI.
- 7.5. ABC shall issue invoice with the appropriate amount of contribution to the Recruiting FI. Payment is due within three weeks after the date of invoice.
- 7.6. All contribution payments shall be paid in Khmer Riel through cheques or bank transfer.

8. Whistle-blower Action

FIs are requested to report to the ABC if they found and/or suspect that any FI breaches this policy. The confidentiality of the report shall be maintained.

9. Reporting and analytics

After all appropriate data is provided by the respective sources, periodic reporting and some sample and high-level business analytics will be prepared and distributed to all FIs (at no cost). No specific individual FI data will be provided. The analytics may include but is not limited to the following:

- a. Staff turnover
- b. Salary scale
- c. Inflation in pay/salary
- d. Level of staff affected
- e. Movement of staff

- f. Rationale for movement
- g. Duration of service before staff movement

10. Management of DF

- 10.1. Contributions to the DF will be deposited by FIs and will be separated from any other funds of the ABC where applicable.
- 10.2. ABC will have day-to-day management of the funds provided into ABC's own bank account for the purpose listed in 1.3 (a) & (b).
- 10.3. Proper records of the DF will be kept by the ABC and a duly audited report of Income and Expenditure of the DF will be tabled annually to the Education Committee of the ABC.

11. Penalty

- 11.1. Any late submission of staff declaration either intentionally or unintentionally shall result in a penalty of 200,000 KHR (Two hundred thousand Khmer Riel) per day.
- 11.2. Any staff movement declaration intentionally falsifying or missing mandatory information, including withholding a portion of salary due to probation period and then paying later, shall result in a penalty of 2,000,000 KHR (Two million Khmer Riel) per employee's name.
- 11.3. Any late DF payment after the deadline as indicated in invoices shall result in a penalty of 200,000 KHR (Two hundred thousand Khmer Riel) per day. However, banks can file a complaint regarding the invoice to the ABC if any error is found. The complaint shall be made within two weeks of the invoice date.

12. Endowment Level

The DF endowment will be capped at 20 billion KHR, From time to time the terms and conditions will be reviewed by the ABC members during the Annual General Meeting.

13. Confidentiality

The salary information of employees is to be kept strictly confidential by the ABC Secretariat and any information leak will result in disciplinary action that may include dismissal. All staff involved in handling the DF shall sign a Staff Undertaking, which requires an absolute adherence to the Confidentiality Policy of the DF.

Appendix 1: Staff-in Declaration Form

Staff-in Declaration Form

ល.រ. No	នាមត្រកូល និងនាមខ្លួន នាមភាសាខ្មែរ Name in Khmer * (Family Name followed by Given Name)	នាមត្រកូល និងនាមខ្លួនជាអង់គ្លេស Name in English* (Family Name followed by Given Name)	មុខរបរ Title/Position*	ជំនាញ Core Areas*	កំរិត Level*	លេខអត្តសញ្ញាណប័ណ្ណប្រើលេខលិខិតឆ្លងដែន (បើមិនមាន សូមប្រើលេខ National ID Number (If not, Passport ID))	ភេទ Gender*	ថ្ងៃខែឆ្នាំកំណើត Date of birth* (dd/mm/yyyy)	ថ្ងៃខែឆ្នាំចូលបម្រើការងារ Date of Commencement* (dd/mm/yyyy)	ប្រាក់ខែដុល Monthly gross salary* (Final salary, not probation salary)	កន្លែងការងារពីមុន Previous Working Place*
1											
2											
3											
4											
5											

* = mandatory

By sending this document via my bank's official email to df@abc.org.kh, I confirmed the validity and accuracy of this document and it may serve as evidence for future references.

[Name of your bank] shall be responsible for any false or misleading information included in this report.

Sent by [Your name], [Position], [Date]

Appendix 2: Staff-out Declaration For

Staff-out Declaration Form

ល.រ. No	នាមត្រកូល និងនាមខ្លួន ជាភាសាខ្មែរ Name in Khmer * (Family Name followed by Given Name)	នាមត្រកូល និងនាម ខ្លួនជាអង់គ្លេស Name in English* (Family Name followed by Given Name)	មុខងារ Title/Posi- tion*	ជំនាញ Core Areas*	កំរិត Leve l*	លេខអត្តសញ្ញាណ ប័ណ្ណ (បើមិនមាន សូមប្រើលេខលិខិត ឆ្លងដែន) National ID Number (If not, Passport ID)	ភេទ Gend- er*	ថ្ងៃខែឆ្នាំ កំណើត Date of birth* (dd/mm/yy yy)	ថ្ងៃខែឆ្នាំចូលបម្រើ ការងារ Date of Commencement* (dd/mm/yyyy)	ប្រាក់ខែដុល Total Monthly Salary* (Final salary, not probation salary)	ថ្ងៃខែឆ្នាំលាឈប់ពី ការងារ Effective date of resignation* (dd/mm/yyyy)	មូលហេតុលាឈប់ពី ការងារ Reason for Resignation
1												
2												
3												
4												
5												
6												
7												

* = Mandatory

By sending this document via my bank's official email to df@abc.org.kh, I confirmed the validity and accuracy of this document and it may serve as evidence for future references.

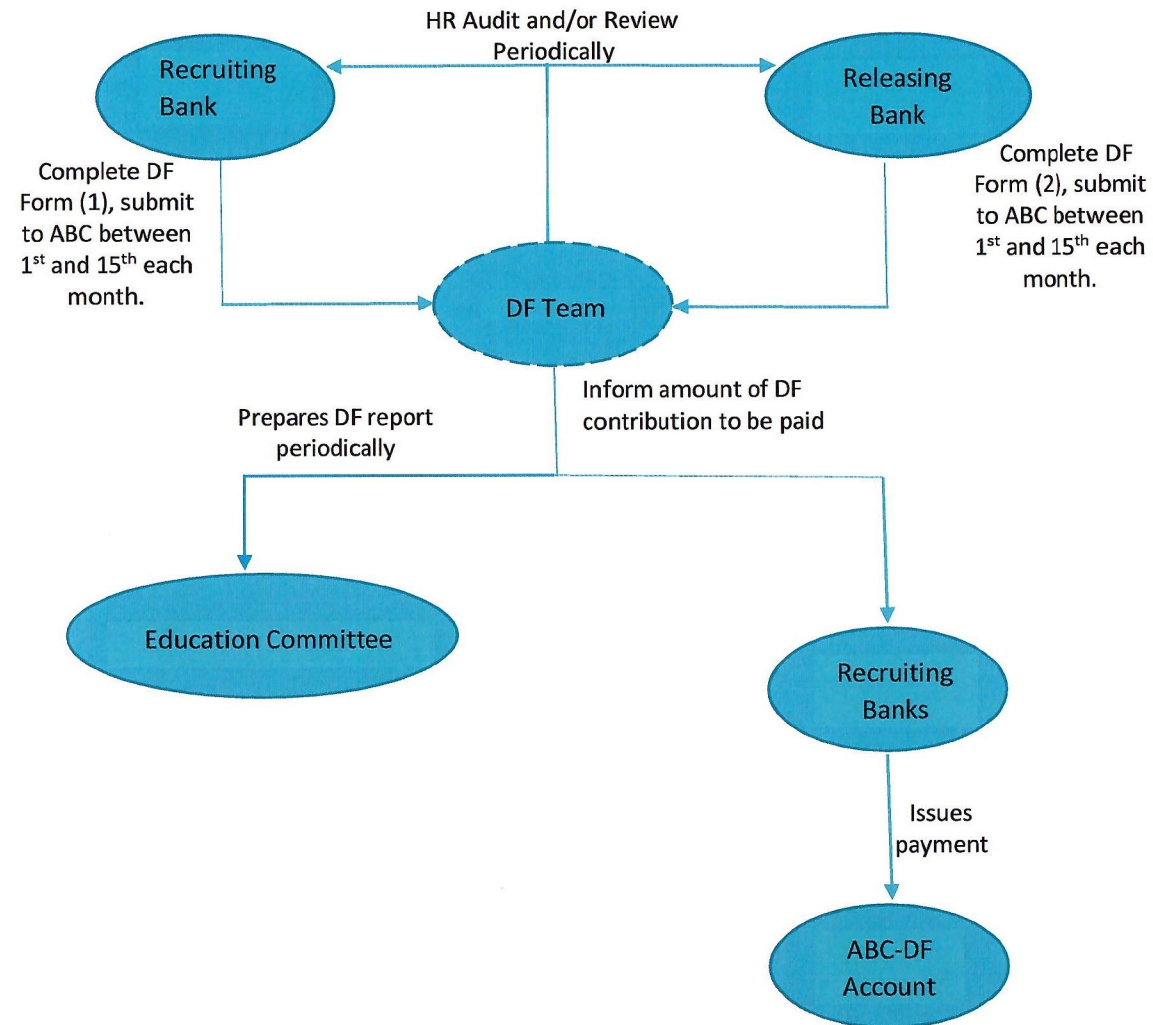
[Name of your bank] shall be responsible for any false or misleading information included in this report.

Sent by [Your name], [Position],

[Date]

Appendix 3: Process of DF Contribution

Collection of DF Contribution Flowchart



Revision of Policy

The original policy was made on 5th December 2016

The current policy was amended based on the feedback from members through the meeting of Education Committee on 17th August 2021 and approved by ABC's Council during Council meeting on 28th December 2021.

Endorsed by Ms Qazreen Chan

Chairwoman of Education Committee of ABC



Approved by

Mr. Raymond Sia Say Guan

Chairman of ABC



Summary notes on the DF Policy Revision

The original DF Policy was issued on 5th December 2016. To accommodate more members to participate in the DF Membership, the Council of ABC in consultations with NBC had updated the threshold of salary and contribution amount of this the DF Policy as listed in the below:

<p>1st Phase (effective date: 30 June 2016)</p> <ul style="list-style-type: none"> • Threshold of salary: USD 750 • Contribution: 3 months of the new salary • Membership: 10 banks 	<p>3rd Phase (effective date: 1 August 2018)</p> <ul style="list-style-type: none"> • Threshold of salary: USD 300 • Contribution: 1 month of the new salary • Membership: 10 banks
<p>2nd Phase (effective date: 10 November 2016)</p> <ul style="list-style-type: none"> • Threshold of salary: USD 150 • Contribution: 3 months of the new salary • Membership: 10 banks 	<p>Current Phase (effective date: 1st May 2019)</p> <ul style="list-style-type: none"> • Threshold of salary: USD 750 • Contribution: 1 month of the new salary • Membership: as of May, 65 Members.

For this version, there are two parts the revisions:

- 1) Revise an article proposed by the Education Committee and the ABC Council of ABC prior to approving this revision already:

Revised Article	Existing Article
<p>6.3 All training credits will expire within 3 years upon the issuance of Training Credit with extensions of up to 6 months. The expired training credit shall be deemed as DF.</p>	<p>6.3 All Training Credits will expire in three years. ABC will indicate an expiry date.</p>

- 2) Non-materialized changes: only revised on the grammatical matter and terms of the policy. These non-materialized changes had been reviewed by members through the meeting of the Education Committee and approved by the Council of ABC during the Council meeting on 28th December 2021.

