



NATIONAL BANK OF CAMBODIA

Riel. Stability. Development.

Digital Finance in Financial Inclusion

The Role of Accounting to Help Company to Access Finance
and Improve Transparency in the Banking Sector

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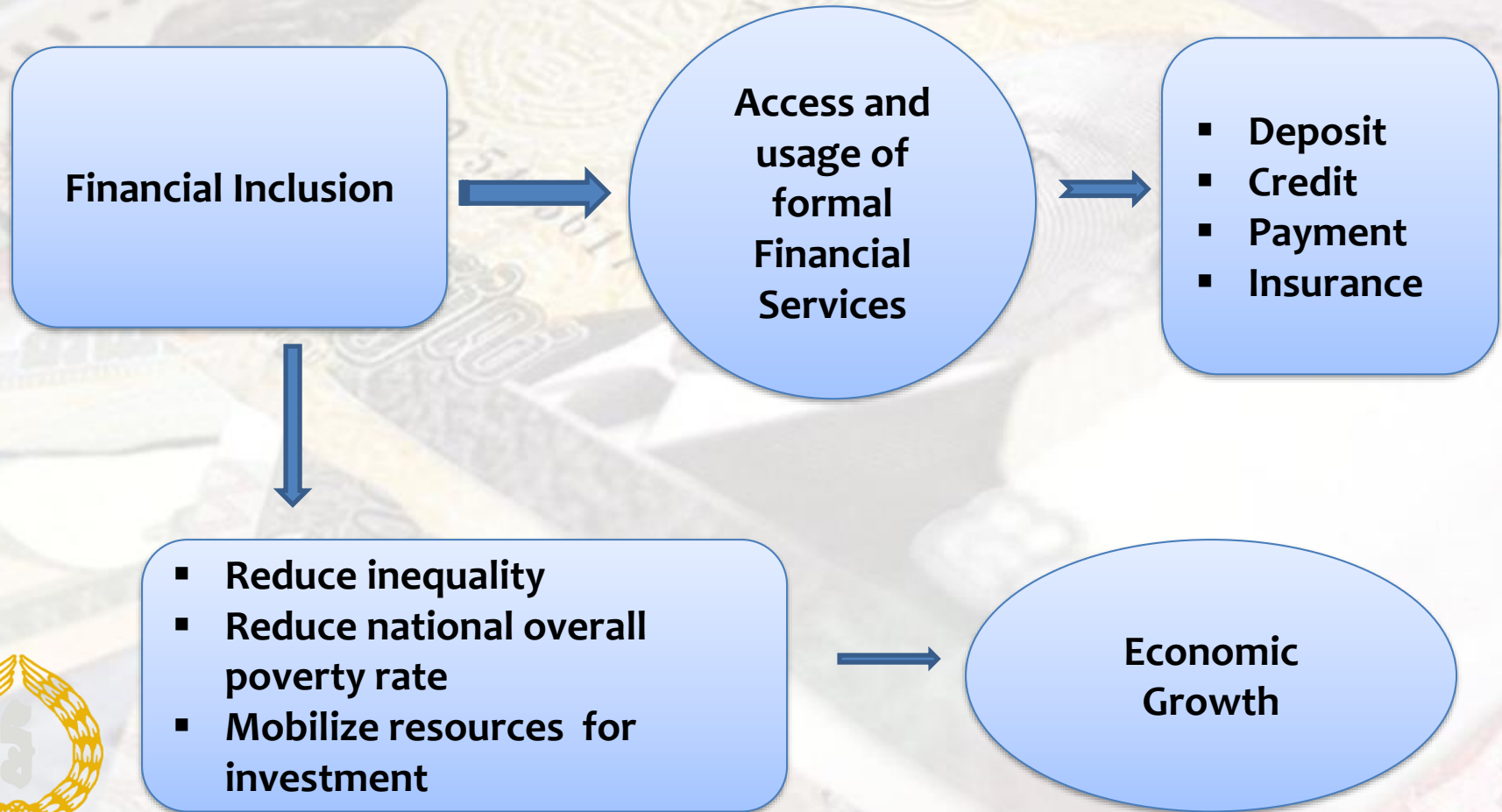
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Outline

- Why Financial Inclusion?
- SME Financial Inclusion
- National Financial Inclusion Strategy
- Challenges of SME in Accessing Credit
- The Role of Accounting for SME to Access Credit
- Digitalization in Accounting
- Challenges for SME in adopting Accounting
- Development of Payment System Infrastructures



Why Financial Inclusion



SME Financial Inclusion

- There are potential benefit of SME Financial Inclusion

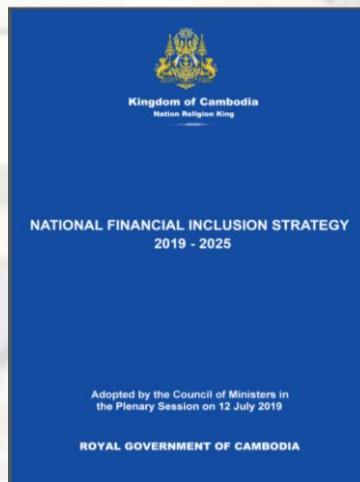
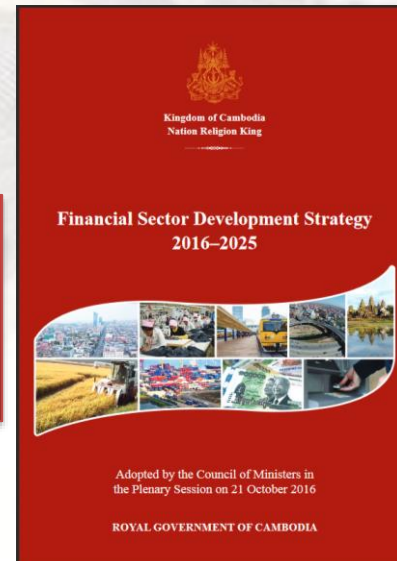


National Financial Inclusion Strategy

Rectangular Strategies Phase IV

- Promote the development of financial and banking sector
 - Continue to develop diversified, resilient, and inclusive financial sector

Financial Sector Development Strategy 2016-2025
Financial Inclusion strategy is stated as priority activity and the NBC is designated as a coordinated and leading agency.



National Financial Inclusion Strategy 2019-2025

- Promoting innovative credit product for SME is among six priorities to enhance financial inclusion in Cambodia.

Challenges of SME in Accessing Credit

Supply Side

- Lack of Credit Information
- Risky and costly lending to SME
- Regulatory restriction on lending activities by the authority

Demand Side

- Lack of proper financial infrastructures - accounting and auditing standard, SME rating agency, credit reporting system
- Lack of guarantee or collateral



Role of Accounting for SME to Access Credit



Encourage lending based on Financial statement: improve quality of SME information



Improve transparency for SME and Banks as they can track the business performance and make better decision.



Digitalization in Accounting

Paperless Accounting

Automation Process

Instant access to Data

Real Time Reporting

Data Analysis and Decision Making

Transparency



Challenges for SME in Adopting Proper Accounting Standard

Challenges

- **Cost burden in adopting accounting standard and system**

Challenges

- **Lack of skill and expertise in understanding sophisticated accounting standard and producing financial statement**



Development of Payment System Infrastructures

Development of Payment Infrastructures

FAST Payment System:
Process inter-bank near real
time fund transfer

Cambodian Shared Switch:
Process inter-bank
transaction using debit card

Retail Pay: Process real time
fund transfer (account based
and phone number based) and
QR code payment

Inclusive Payment Service

Cost effective

Convenience

Innovation

Expansion

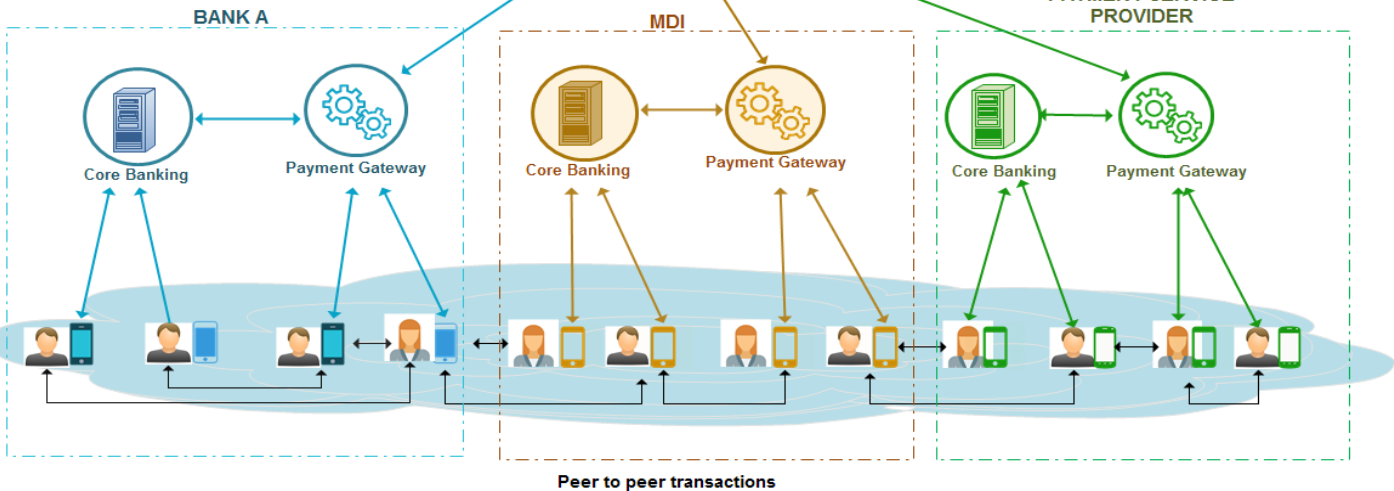
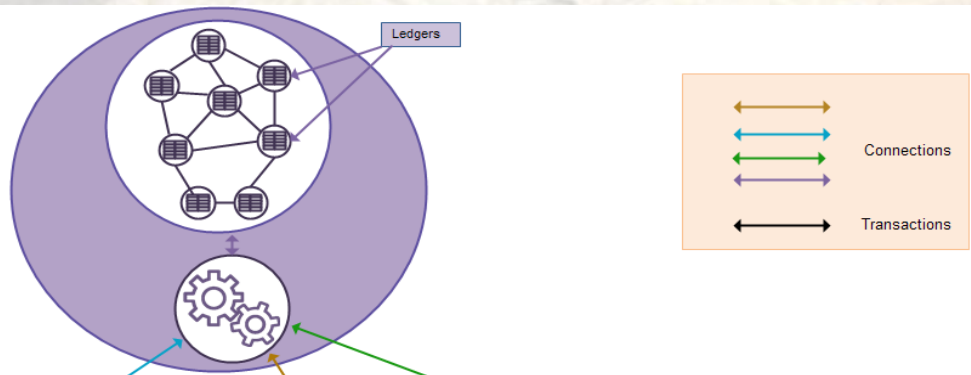
Transparency



Development of Payment System Infrastructures (cont)

BAKONG System A new generation of payment system

1. **Send** : send money to each other
2. **Pay**: Pay any bill
3. **Deposit**: allows customer to deposit money to any bank account
4. **Receive**: for showing QR Code to sender (options including amounts and reference)



- ### Why Bakong?
- ❑ It is developed using Blockchain technology which is believed to be more secure
 - ❑ Promote cashless economy through the use of electronic payments
 - ❑ Promote financial inclusion:
 - Expand channel and access to financial services
 - Low fee for end users
 - Low investment for financial institutions
 - ❑ Fast, convenience, and innovative

THANKS FOR YOUR ATTENTION

