

**PRAKAS**  
**ON**  
**THE CALCULATION OF INTEREST RATE ON MICROFINANCE LOANS**

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**Article 1**

Rural credit specialized banks, Micro Finance Institutions registered and licensed from the National Bank of Cambodia, Non-governmental organizations (NGOs), associations, under the law on Banking and Financial Institution shall calculate interest rate to comply with the provision of this Prakas with regard to their credit operations.

**Article 2**

Interest charged on any loan granted by an entity mentioned in Article 1, must be calculated taking into account the repayments of principal already made on that loan. Consequently, interest charged on a loan for a given period (week, month, quarter, year as the case may be) shall be calculated on the loan outstanding balance at the end of that period.

**Article 3**

Loan agreement between Micro Financial Institutions and customers shall have credit amortization table.

**Article 4**

Covered entities that contravene to the provisions of this Prakas will be subject to the disciplinary sanctions mentioned in Article 52 of the Law on Banking and Financial Institutions.

**Article 5**

All provisions contrary to those of the Prakas are hereby repealed.

**Article 6**

The General Direction, the General Secretariat, the General Inspection, the General Cashier, all Departments of the NBC, and all Banking and Financial Institutions under of the NBC supervisory authority shall strictly implement this Prakas.

**Article 7**

This Prakas shall have effect from the signing date.

Phnom Penh, 14 August 2001

**The Governor**

Signed and sealed: **Chea Chanto**