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Keynote Speech by H.E. Dr. Chea Serey

Governor, National Bank of Cambodia

Asia Finance Forum: Bridging Financial Technology, Trust and Regulation

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Good morning!

Excellencies, Distinguished Guests, Ladies and Gentlemen,

First, I would like to thank the Asian Development Bank, the Ministry of Finance of Luxembourg, and the Centre for Finance, Technology and Entrepreneurship for inviting the National Bank of Cambodia to share our views at the Asia Finance Forum on the topic of Bridging Financial Technology, Trust and Regulations.

I see our proceedings today as more than a technical discussion. To me, it is a human one. It is about designing systems that are not only efficient, but inclusive. Not only secure, but empowering. Not only fast, but fair.

Across our region, finance is shifting from an exclusive service to an essential public utility. The digital revolution has given us unprecedented speed and reach—but also unprecedented responsibility. Our task is not only to ask what technology can do, but to decide what it should do—and ensure that in moving forward, we bring everyone with us.

Technology is often praised for its speed, its scale, and its power to disrupt. But in the financial sector, its true value is not measured by novelty—it is measured by necessity. The real question is whether it closes gaps, connects systems, and serves people where they are.

In Cambodia, our financial system is still young and still evolving. Over the past two decades, we have seen remarkable progress—rapid economic growth, significant poverty reduction, and a maturing banking sector. Yet these gains remain fragile, and our system has grown along parallel tracks. Banks have largely served the urban population. In rural areas, e-wallets and mobile money became the tools of choice. Meanwhile, millions continued to depend almost entirely on cash. The result was a fragmented landscape—redundant, inefficient, and uneven in access.

Our response was not to replace these channels, but to connect them. In 2020, we launched Bakong—a digital payment system developed by the National Bank of Cambodia using distributed ledger technology. Contrary to some headlines, Bakong is not a central bank digital currency. It is an interoperable, peer-to-peer platform linking banks, microfinance institutions, and payment service providers into a single ecosystem. Its mission is simple but ambitious: to bring the digital economy to everyone—urban or rural, banked or unbanked.

Today, Bakong connects 70 institutions, supports over 34 million user accounts, and has processed more than 600 million transactions worth over USD 147 billion—more than three times the size of Cambodia’s GDP. Yet beyond the numbers, its impact is seen in daily life. A farmer in Kampong Thom province can receive a remittance from a relative abroad in seconds. A street vendor in Siem Reap-Angkor can accept payment from a tourist’s Mastercard or Visa card with a simple QR scan. A student in Phnom Penh can pay university fees with one click on her phone. With each transaction, Cambodian citizens are building a digital financial identity—opening doors to future access to credit, savings, and insurance.

Our strategy has focused on expanding infrastructure, improving literacy, reducing fees, and designing products that meet people where they are. For households, this has meant lowering the cost of remittances. The World Bank reports that the global average remains around 6.2%. For individuals sending \$200 home each month, this translates to over \$12 lost in fees, often equivalent to an entire day’s wages. In contrast, Cambodian workers in Malaysia using mobile apps or over-the-counter services can now transfer money home through Bakong with a flat fee of just 10 RM for transfers up to 2500 RM—averaging a cost of only 0.12%.

For small businesses—the backbone of our economy—financial inclusion means access to tools that reduce onboarding costs and improve cross-border compliance. Through initiatives like the Financial Transparency Corridor, we are ensuring that MSMEs can integrate into the digital economy, not be left behind by it.

Financial inclusion is often measured in accounts opened or transactions processed. But what should matter more is the human measure—of whether people feel empowered, protected, and connected to economic opportunity.

Cambodia’s Digital Economy and Society Policy Framework 2021–2035 puts inclusion at the center of our digital transition—not as an outcome, but as a design principle. Because inclusion is not a charitable goal. It is a strategic necessity. Systems that leave people behind ultimately fail.

Bakong in this regard is not innovation for its own sake—it is purposeful design. It reflects Cambodia’s real economic and social dynamics. It reduces friction, lowers costs, and extends formal financial services to those once left outside the system.

For us, this is what technology should do: respond to context, reinforce trust, and deliver inclusion. And for regulators and central banks, the lesson is clear: we do not need to chase the newest innovation—we need to build the right ones for our people, our institutions, and our future.

But let us acknowledge a simple truth: technology without trust is just code. If technology is the visible scaffolding of a modern financial system, then trust is the foundation beneath it—invisible, yet indispensable. No matter how advanced our systems become, they cannot operate without the confidence of those they are meant to serve.

For individuals, trust means safety—of funds, of data, of rights. For institutions, it means clarity—of rules, of compliance, of jurisdiction. And for regulators, it means ensuring that digital infrastructure is not only secure and accessible, but resilient enough to withstand economic shocks, policy shifts, and even political headwinds.

This has become especially clear in today's complex geopolitical climate. Across the region, bilateral tensions remind us that financial infrastructure cannot exist in a vacuum. Cross-border systems must be built not just on technical compatibility, but on institutional trust, regulatory alignment, and mutual respect.

Cambodia's efforts to establish interoperable QR payment systems with regional partners are grounded in this principle. Whenever there are strong regulatory cooperation and goodwill, implementation is smooth and impactful. But we have also learned that technical readiness alone is not enough. The success of cross-border financial systems depends equally on regulatory cooperation, institutional alignment, and mutual trust.

Sound regulation, therefore, is more than a technical safeguard—it is a stabilizer. When systems are transparent, rights are protected, and standards are clearly defined, financial infrastructure can function even regardless possible diplomatic strains. It creates a zone of continuity, serving people regardless of political climate.

Our commitment to regional initiatives such as the ASEAN Regional Payment Connectivity Framework and the Financial Transparency Corridor reflects this belief: in a region as dynamic and diverse as ours, trust and regulation must form the bedrock of resilience.

Too often, regulation is seen as an obstacle to innovation—a system of control designed to slow things down. But in our view, regulation is infrastructure. When designed with foresight and flexibility, it becomes the platform on which responsible innovation can flourish.

Regulation should serve not only as a safeguard against innovation's risks, but also as a framework that channels innovation toward the greater good of society.

At the National Bank of Cambodia, our regulatory philosophy is one of guided collaboration. We define the vision, safeguard stability, and provide an enabling

environment. The private sector, in turn, brings the ideas, the products, and the reach to turn that vision into reality.

Bakong itself was made possible by this partnership model. Rather than imposing rigid requirements, we invited banks, financial institutions, payment service providers and fintech companies into a shared space with clear rules and aligned incentives. The result is a system that is secure, competitive, and inclusive—without being prescriptive.

Bakong was not simply a central bank project. It was the result of close engagement with banks, financial institutions, payment service providers, and our technology partner, Soramitsu. We co-designed, tested, and adapted the system through dialogue, not decree.

We are also working across government institutions—linking digital payments to tax collection, utility payments, and social protection disbursements. This whole-of-government approach ensures that financial technology reinforces state capability and public service—not just market growth.

We've taken the same approach in cross-border integration. Cambodia now has bilateral agreements for QR payment interoperability with multiple countries such as Japan, Korea, Malaysia, Laos PDR, Vietnam, and Thailand, and reaches China and the world via Alipay+ and UnionPay International. These connections allow users to pay across borders instantly, securely, and at a fraction of traditional costs. But to make this work, we had to co-design regulatory frameworks, establish joint supervisory protocols, and align on dispute resolution and compliance expectations.

We also continue to engage in international initiatives such as mBridge and the Universal Trusted Credentials project. These are not just experiments in technology—they are experiments in regulation as architecture: rules and standards designed to enable new possibilities, not constrain them.

The future of finance is not a race between countries or companies. It is a collaborative construction project. And those who build together—build stronger.

Excellencies, Distinguished Guests, Ladies and Gentlemen,

We stand in an extraordinary moment—rich with possibility, yet demanding responsibility. Progress will not come from technology alone, but from the choices we make in how we use it.

Our mandate as central banks and financial authorities has expanded. It is no longer enough to safeguard stability—we must also design systems that are trusted, inclusive, and worthy of the people they serve. Systems that protect the dignity of the farmer, the factory worker, the entrepreneur, and the student. Systems where access is universal, resilience is built in, and trust is non-negotiable.

To bridge financial technology, trust, and regulation is not simple. But it is essential. We cannot only regulate what exists; we must enable what should exist.

Let us use this forum not just to trade ideas, but to forge alliances. Not just to connect systems, but to connect values. If we succeed, we will leave behind more than infrastructure—we will leave behind a legacy of empowerment, security, and shared prosperity.

Because when finance works for all, society thrives. And when trust anchors our systems, there is no limit to what our people can achieve.

Thank you for your attention.