

Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

The Bank of the Lao PDR

No. 03/DPF  
Vientiane, December 27, 1999

**Charter**  
**Of Depositor Protection Fund**

- Pursuant to the Law of the Bank of the Lao Peoples' Democratic Republic, No 05/95/NA date October 14, 1995.
- Pursuant to the Presidential Decree on commercial Banks, No. 01/PDR date March 11, 1997.
- Pursuant to Business Law NO. 03/94/NA, date July 18, 1994.
- Base on the agreement of the Minister of Finance on establishment of Depositor Protection Fund No.1285/MOF, dated September 23, 1999.

**Section 1**

**General Privations**

**Article 1 Objectives**

This Charter shall determine the Organizations and Operations of Depositor Protection Fund which aiming to repay compensation to depositor of those commercial Banks in the Lao PDR in case of failure and create public confidence and insuring deposits made with commercial banks operating in the Lao PDR.

**Article 2: Definition of Depositor Protection Fund**

Depositor Protection Fund is State-own enterprise and is an entity entitle to ensure deposits to the compensation payment instead of the member Bank at the amount determined by the Fund in the event of the failure or similar case of the member banks.

**Article 3: Name, Location and Seal of the Fund**

3.1 Depositor Protection Fund, hereinafter referred to as the 'Fund', its abbreviation is 'DPF'. The establishment the fund shall be certified by Minister of Finance and shall be licensed to establish by the Bank of the Lao PDR and registered as a state-owned enterprise under the law of Business, No. 03/94/NA, and date July 18, 1994. It shall independently operate in accordance with the Laws of the Lao PDR.

The fund is located in the Bank of the Lao PDR building, Yonnet Road, Xieng Nheun Village, Vientiane Lao PDR,

### 3.2 Description of Seal

The seal of the Fund shall be over with a vertical and horizontal of 3 and 5 centimeters respectively.

In the upper part of the seal the name of state agency issuing the Business license, flanked at both ends by stars. In the Lower part of the seal the name of province where the registered office is located and in the middle is the name of the Fund both Lao and English.

### 3.3 Safe Custody and Use of Seal.

The Managing Director of the Fund shall ensure the safe custody of the seal at all time.

The seal of the Fund shall be used according to the Decree regarding the management and use of the seal, date January 7, 1998 or any other law or regulations that maybe issued from the time to time .

## **Section 2**

### **Rights and Responsibility of the Fund**

#### **Article 4: Right and Responsibility of the Fund**

##### 4.1. The Fund shall have the Rights as follows:

1. request the member Banks to provide all documents and information concerning the sustainability of the Bank such as ability to repay deposits to the customer s when due,
2. request the documents so as many be the evidences before payment of compensation in case many member bank have many declared under Article 23 of this charter,
3. determine all compensation payment conditions, such closed bank shall post those conditions at the bank to make it known to the public,
4. investing the assets of the fund in a sound and prudential manner, and particularly in securities issued by the government of the Lao PDR, the Bank of the Lao PDR, and the government of developed countries,
5. borrow money at the Board of Directors and shall be approved by the other evidence of indebtedness. The interest rates shall not exceed the interest rates of the compensation to depositors in the event of failure of the member bank when the fund have insufficient.

##### 4.2. The responsibilities of the fund are as below:

1. to collect contributions to the fund from member bank,
2. to insure eligible deposits in local currency who made with the commercial banks in Lao PDR,

3. to reply in whole or in part eligible deposits made with a member commercial Bank when it is failure under declaration of the Bank of Lao PDR.
4. to conduct diligent monitoring and examination of members banks, and undertake prompt, decisive and prudent interventions.

4.3 The main Function of the Fund's are as follows:

1. Determine regulations and condition regarding to ensure deposit and made with the Banks which have been given license by the Bank of the Lao PDR,
2. Enforce the member bank to the premium to the fund,
3. To secure kip deposit accepted by the member bank,
4. Invest in security issued by the Government, the bank of the Lao PDR and the Government of developed countries,
5. To conduct compensation payment to depositors who made deposits at the contributed bank when it is failure under declaration of the bank of the Lao PDR.

4.4 Management of the Fund

The fund is shall be under supervised by the Board of Directors who authorized and represented to owned the shared of the Minister of Finance. The recommendation and supervision of Minister of Finance Shall be delegated to the Board to implement aiming to ensure the effectiveness of the fund and to meet the goal as clarified in the article 1 and article 4 of this charter.

### **Section 3**

#### **Capital and Management**

##### **Article 5: Registered Capital and Premium of the Fund**

5.1 The registered capital of the fund is 100 million kip ( one hundred million kip ) in accordance with agreement of Minister of Finance No. 1285/MOF, date 23/9/99 and as a state owned enterprise according to business law No. 03/94/PO, date 18/07/94. Such fund is contributed by the Ministry of Finance as initial capital.

The registered capital may be varied according to clause 5.3 of this charter.

##### **5.2 Division of Charter**

The registered capital shall be divided in to shares with a value of 10.000 kip in scribed on each share certificate the Ministry of Finance shall hold 100 per cent of this shared.

### 5.3 Variation of Capital

The Board of Directors may at its discretion increase the capital of the fund by issuing of new share. The fund may issue such new shares to Minister of Finance and to the member Bank. The fund has been authorized by shareholder to carrying out the fund's activities and shall responsible for all assets of shareholder.

### 5.4 Transfer of shares.

The fund may, at its discretion, transfer any number of the shares to the parties under consideration and agreement of the Ministry of Finance any transfer must comply with the requirement of the Business Law dated 18 July 1994 and other law or regulation which may be passed and which governs the transfer shares,

### 5.5 Premium

1. Member of the fund shall contribute the premium to the fund at the rate of 0.1 percent of averaged deposits of kip currency base on the least closing business year,
2. In case of the fund may not covered on deposit of the member bank, the managing Director of the fund may propose to the Board to request an extraordinary contributions under the agreement of the Bank of the Lao PDR,
3. The fund may used such premium in accordance with the main function specified in the article 4, clause 4.3 of this Charter.

## **Section 4**

### **Organizational Structure of the Fund**

#### **Article 6: Management Structure of the Fund**

Management Structure of the Fund consist of the Board of Directors, Managing Director, Deputy Managing Director and Divisions.

#### 6.1 The Board of Directors

6.1.1 The Board is supreme body of the Fund and entitled to Direct supervise the Fund's activities including duties delegated by Ministry of Finance,

6.1.2 Member of the Board comprises of 5 members as follows:

- Representative of the Ministry of Finance as Chairman,
- The Managing Director of the Fund as Vice Chairman,
- Representative of the Ministry of Commerce and Tourism as a member,
- Representative of the Bank of the Lao PDR as a member,

- Representative of the State Own Commercial Banks as member.

6.1.3 The first Board is the person as the Board in the application for registration of the Fund,

## 6.2 Appointment and Removal of the Board

6.2.1 Member of the Board Shall be a person appointed by concerned Ministries under the agreement of the Minister of Finance,

6.2.2 Chairman, Vice Chairman and member of the Board Shall be appointed and remove from the office by Ministry of Finance or by Annual General Meeting under the proposal of the Governor of the Bank of the Lao PDR,

6.2.3 All member of the Board shall have substantive knowledge of the Baking industry or sector beneficial to the objective of the Fund,

6.2.4 A member of the Board appointed by the ministry of Finance may removed from office at any time by notice in writing signed by the Ministry of Finance or under agreement Ministries concerned and base on the proposal of Annual General Meeting.

6.2.5 Member of the Board hold office for 3 years or may re-appointed or until his or her retirement, disqualification or removal in accordance with clause 6.3 of this Charter.

## 6.3 Disqualification and Removal

A person will be disqualified from holding the office of member of the Board if he or She:

- a) Is removes under the clause 6.2.4 or,
- b) Resigns in writing notice,
- c) Is prohibited from being member under any provision of the Law of the Lao P.D.R,
- d) Dies

## **Article 7: Right and Duties of the Board of Directors**

7.1 The Business and Affairs of the Fun must be managed by or under the direction or supervision of the Board of Director,

7.2 The Board of director duties shall be included but not limited to the following:

- 1) To consider and endorse the strategy of the Fund in the conduct of its business,
- 2) To consider and endorse the annual report and investment plan for the following year of the Fund,
- 3) To consider and adopt the necessary administrative policies to allow the Fund to achieve its objectives under this charter,

- 4) To consider the results of operation of the fund in order to safeguard the interest of the shareholder and to secure of the fund a strong Financial Position in the Long term,
- 5) To consider and decide on the issue of capital, the determination of structure of capital, the issue and the sale of shares as authorized by the minister of Finance,
- 6) To consider and endorse rules and regulations that may relate the Fund,
- 7) To review at least once each financial year, the limit of compensation payable to depositors of the member Bank in the event of the bank failure,
- 8) To appoint and dismiss the Managing Director and the Deputy Managing Director,
- 9) To appoint and dismiss the inspector of the fund,
- 10) To decide on the criteria for compensation payments from the fund,
- 11) To determine the need for any extraordinary contributions to the fund,
- 12) To consider and determine the salary and bonuses of the staff of the fund,
- 13) To establish the per diem to be paid to the board members attendance at the meeting of the board, such per diem to be establish according to any regulations set by Ministry of Finance,

#### **Article 8: The Responsibility of Board of Director to the loss of the Fund**

In case the member of the Board as well as the staff of the Fund are Felt on their responsibilities which causing losses to the Fund, the Fund shall have the right to enforce them to reimburse such losses.

#### **Article 9: Power to delegated to administrative Council**

The Board of Directors may assign the administrative committee among this member such as management committee, accounting and financial committee and any other necessary and delegate the powers to them to implement. Any committee so formed shall in exercise of its powers so delegated conform to any regulation that may be imposed on it by the Board.

#### **Article 10: Method of Holding Meeting of the Board Directors**

##### **10.1 Chairperson**

Chairman of the Board of Directors Shall be a Chairperson is absent, Vice Chairman Shall Chair instead.

##### **10.2 Number of Meeting**

An Ordinary meeting of the Board shall take place every three month,

10.3 An extraordinary may take place to any time depending on the emergency actions,

#### 10.4 Extraordinary Meetings

The Number of the Board and Shareholder may request the Board of Directors to convene extraordinary meeting at any time by giving notice containing the objective and reasons,

#### 10.5 Annual General Meeting

10.5.1 An annual General Meeting Director, Deputy Managing Director, accounting inspector, Shareholders or any other authorized person. The meeting Shall be called by the Board or authorize person,

10.5.2 A notice of the meeting must be given to each delegates 10 days prior to the meeting being hold. A notice will be include the date, time and venue of the meeting, and general nature of the matters to be discussed and approved,

10.5.3 An annual General meeting may unfold only when one half of the meeting delegates as stipulated in the clause 10.5.1 or properly appointed proxies are present,

In case the first call of an annual general meeting unable to open, it may open whatever the number of meeting delegates present in the second call,

#### 10.5.4 Right and Duties of the Annual General Meeting:

- 1) To hear an annual report of the Board on the Business transaction of the Fund, the announcement of profit and loss, and proposals on declaring dividends,
- 2) To hear the auditor's report
- 3) To vote on resolutions of the past year business transaction and of the following years business plan,
- 4) To approve the annual account of the previous year,
- 5) To approve the declared dividends,
- 6) To elect or remove members of the board of Directors,
- 7) To appoint the auditor and determine fees of the auditor,

#### 10.6 Notice of the Meetings

10.6.1 Not less than 7 days notice of a meeting of the Board must be given to each member who is in the Lao P.D.R, and the notice must include the date, time and venue of the meeting, and general nature of the matters to discussed and approved it is not necessary to give notice to member of the Board who being absent from the Lao P.D.R,

10.6.2 An irregularity in the notice of the meeting is waived if all members attend the meeting without protest as to the irregularity, or if all members entitled to receive notice of the meeting agree to the waiver

10.6.3 A notice of a meeting to the members must be given in writing and proceeded by meeting secretariat.

## 10.7 Method of Holding Meetings

10.7.1 Meeting of the Board may be held only when one half of the members are presented,

10.7.2 each member of the Board has one vote,

10.7.3 In case of tied votes, the chairman of the meeting shall cast a final vote,

10.7.4 A resolution of the Board is passed if it is agreed to by all members present without dissent or if a majority of the votes cast on it are in favor of the resolution. All the resolutions of the meeting must be recorded in the minutes,

10.7.5 The Board must ensure that minutes are kept of all the proceeding at the meeting of the Board. The Board will be appoint a minute keeper, who will be responsible for recording the minutes of the meetings,

10.7.6 The minutes of the meetings shall be signed by all members presented

## **Article 11: Effectives of Resolutions**

The resolutions of the Board meetings may valid and effective as if it had been passed at a meeting of the Board duly convened and held.

## **Article 12: Right and Require to Contribute the Premium**

The Board of Directors shall have the right to request the member bank to contribute the premium to the fund at the rate according to this Charter determined and any other regulations forced in the Lao PDR.

## **Article 13: Organizational the Structure of the Fund**

The Board of Directors will be determine its organizational structure and this structure is outline in annex of this charter. Any structure changed and adopted by the fund must comply with the laws and regulations of the Lao PDR.

## **Article 14: Managing Director of the Fund**

### 14.1 Appointment and Dismissal

14.1.1 Managing Director shall be appointed and dismissed by the Ministry of Finance at the proposal of the Board of director,



14.1.2 Managing Director shall be member of the Board and responsible to the Board for the administration and development of the Fund in accordance with the strategic goal and Business plan as proved by the Board . Deputy Managing Director shall be appointed by the Board at the proposal of the Managing Director .Managing Director and Deputy Managing Director shall jointly making decision on all matters of the Fund delegated by the Board,

#### 14.2 Duty of the Managing Director

Managing Director's duties shall include but not limited to the following:

- 1) To administer and con troll the daily activities of the Fund,
- 2) To organize and implement in accordance with the decisions of the Board, and to regularly report to the Board on the results of implementation,
- 3) To be responsible for the preparation of the business plan, the annual budget plan and any other reports/plans with the Board may request must be prepared,
- 4) To ensure the plan as outlines in (3) are implemented,
- 5) To establish and modify organizational structure of the fund appropriate and report some to the Board,
- 6) To represent the fund in it's relationship with all third parties including local and foreign clients,
- 7) To organize the implementation of the other task establish by this charter and which the board may from time to time determine,
- 8) To determine policies and procedures which will enable the recruitment and training of the staff and to ensure there are in place measures to discipline and reward staff, to determine salaries and Bonuses of staff of the Fund, to implement any social welfare policies which the Board may expound,
- 9) To have the power to delegate responsibilities where appropriate and where possible at law to do so,
- 10) To carry out any task which the board may determine at any time,
- 11) To determine and assign the Functions and responsibilities to the staff of the Fund.

### **Section 5**

#### **Labour Management**

##### **Article 15: Labour and Salary Management**

15.1 The work of each employee of the fund shall be carried out within the provisions of the Labour Law of the Lao PDR. All salaries paid employees of the Fund shall be in the

accordance with policies approved by the Board and the Laws and regulation currently in force in the Lao PDR

15.2 The Board may in its discretion determine detailed regulation regarding work and social security for employees. Any regulations determined by the Board shall not conflict with any law or regulation in Lao PDR,

15.3 The employees of the Fund shall be recruited and assigned to positions on the Basis of their knowledge, ability and competence to perform the task assigned,

15.4 All employees of the fund have an obligation to ensure the at all time promote the well being of the fund, abide by its charter and any others policies or regulations it may be governed by. Every employee has an obligation to perform their duties to the best of their ability in every task they have been assigned by the Fund.

The employee of the fund have an obligation to contribute to the Fund in a positive manner. Employee have an obligation to foster solidarity, mutual affection and assistance as well as improve the sense of responsibility and quality of service provided to the public.

## **Section 6**

### **Rights and Obligations of Member of the Fund**

#### **Article 16 Rights and Obligations of Member of the Fund**

##### **16.1 Right of Member of the Fund**

All commercial Bank have been given license to operate the Banking Business in Lao PDR Shall be a member of the Fund under agreement of the Board of Directors. The Depositor who made deposit with the member Banks Shall be protected by the Fund in Accordance with the regulation on Depositor Protection Fund,

16.2 propose the assistance from the Fund in case of insolvency.

##### **16.3 Obligation of members of the Fund**

The member of the fund shall have obligations as follows:

Contribute the premium to the Fund at the rate stipulated in this charter,

Co-ordinate with the accounting inspector or the person who was appointed to audit an accounting manner.

All necessary documents and information are to the Fund, in particular document on depositing,

Comply strictly all regulations and policies outlined by the Bank of the Lai PDR,

The member bank shall post the certificate of the membership of the fund and announce to the public the eligible the deposit and mentioned in Article 18.1 of this Charter ,

## **Article 17: Dismissing from Membership of the Fund**

Member of the fund shall be dismissed from membership of the fund in following circumstances:

- 1) violate all article or obligations stipulated in the Article 16.3 of this Charter,
- 2) any member Bank have been dismissed from the membership of the fund shall pay the premium of the current year. The premium have been paid to the fund is not refundable,
- 3) such commercial bank shall in from to the customers on its dismissing , and the fund shall inform the public as well,
- 4) deposits accept by commercial bank before dismissing from the membership of the fund shall be protected by the Fund, nor may the fund protected such deposit after dismissing from membership of the fund.

## **Section 7**

### **Premium Contribution and Compensation Payment**

## **Article 18: Right of Protection**

### **18.1 Eligible Deposits:**

Deposits eligible for protection by the fund shall be consist all moneys deposited with the commercial bank in the Lao PDR., in local currency with principle and interest or without interest. Eligible interest are included demand deposits, saving deposits and term deposit.

### **18.2 In-Eligible Deposit**

Deposit in-eligible for protection by the fund shall consist of administrators' deposits, deposit for loan guarantee inter bank or other financial institution in the Article 18.1 of this Chart.

## **Article 19: Premium contribution to the fund**

Member of the Fund shall contribute the premium of the fund at the rate of 0.1 percent of averaged deposit of kip currency base on the last closing business year, but the Premium shall less than kip 10 million. In case of necessity, the fund may request the extraordinary contributions under agreement of the Board of Directors of the Fund and shall be approved by the Bank of the Lao PDR.

## **Article 20 Payment of Contribution**

1. Member of the Fund shall pay their contribution in two times. First time installment on the second week of January at rate of 0.1 percent of averaged deposit from January trough June. The second time installment shall be made in the second week of July at the rate of 0.1 percent of averaged deposits of last closing business year after education from first time installment.

2. extraordinary contributions payment shall comply with the date and timeline determined by the board of Directors,
3. All contributions mentioned above shall be paid at the head office of the fund, in the currency in which the eligible deposit are denominated and in pro rata of the total eligible deposits,
4. contribution to the fund shall be computed as an annual expense of the Bank.

#### **Article 21: Compensation Payment**

1. Any Commercial Bank have been declared under article 23 of this charter, depositors with such commercial bank is entitle to receive the compensation in the currency and in which the eligible deposits are denominated an in pro rata of the total eligible deposits. Such compensation payment subject to maximum amount of kip 15 million per person, including principle and interest. Compensation payments to depositors must be paid within 6 months after the date of declaration. However, in exceptional and reasonable cases, the fund may extend this period by a further and such extension may renewed up to a maximum period of eighteen months,
2. A depositor shall be entitled to receive interest at the rate agreed with the commercial bank calculated to the date on which the commercial bank deemed incapable of the meeting its obligations pursuant to Article 23 of this Charter,
3. any amount due by depositor to the commercial bank shall be deducted from the compensation payment to be made by the fund to the depositors,
4. The deposit recorded on the records of the commercial Bank shall be final and conclusive as between the commercial bank and depositor,
5. The payment compensations shall not meet unless the depositor fully completed all compensation payment conditions,
6. the fund is authorized to arrange compensation to be paid through closed bank or such other arrangements as the fund may decided,
7. if a depositor is prevented from presenting a claim for compensation during the period specified the clause 1 of this article, because illness or other reasonable causes, the fund may effect compensation after expiration of the said period, but within three years of the start of compensation payments,
8. the remaining amount of deposits shall be implement pursuant to regulation No. 06/BOL, dated January 15, 1996 on the resolution of the closed bank, or others related laws.

#### **Article 22: Compensation Payment Conditions**

1. shall be a customer of the close Bank,

2. Shall have necessary and completely documents such as pass book so as may be finalized and conclusive as the commercial bank recorded,
3. depositor shall fill in application form provide by the Fund,
4. Such application shall submit to the fund within one month after declaration day under Article 23 of this charter.
5. in cases a depositor is prevented from submit ion of the form because of any reasonable causes, he/she may transfer to another person to perform instead.

### **Article 23 Declaration of Incapable Obligation of the Commercial Bank**

1. The Bank of the Lao PDR shall declare a commercial bank to be capable of meeting of its obligation in the following circumstances:
  - a) If commercial Bank is unable to meet its due obligations with respect to deposits within 48 hours of any claim made on such deposit,
  - b) If the bank of Lao PDR determines that the regulatory capital (as defined in the regulation on capital Adequacy ) of the commercial Bank is or is about become substantially deficient
2. if the bank of the Lao PDR appoints a Liquidate the Problem Bank,
3. Any commercial Bank have been declared as specified in clause 1 of this article shall be ordered to suspend all or some part of business activities pursuant to the consideration of the Bank of the Lao PDR and such commercial bank shall post a notice of the declaration in each branches of the commercial bank so as to be openly displayed to the public on the next working day after the day of declaration,
4. within 3 months after the bank of the Lao PDR issued such declaration the fund shall announce the through the local media the details of compensation plan including commencement date, the duration and place where compensation payments will be made.

## **Section 8**

### **Capital, Revenue-Expenditure and Accumulated Fund**

#### **Article 24: Capital of the Fund**

The capital of the fund comprises of the registered capital provided by the government and other reserve funds.

#### **Article 25: Revenue and Expenditure**

25.1 Revenue of the Fund is as follows:

- Premium

- Interests earning from investments.

25.2 expenditure of the Fund is as follows:

- Compensation payment,
- Administrative and operations,
- Amortization and depreciation.

### **Article 26: Accumulated Fund**

Accumulated Fund is the difference between the revenue and expenditure of the Fund for the final year. Such accumulated fund shall divided as follow:

1. Reserve fund,
2. Other fund as the Board of Directors deems appropriated.

In case the expenditure id more than revenue, the Fund may use its reserve fund under the agreement of the Board of Directors.

## **Section 9**

### **Financial Accounts and Audit of the Fund**

#### **Article 27: Accounts and Report of the Fund**

27.1 The Board of Directors shall cause books of account to be kept in compliance with the laws and regulations in force within the Lao PDR. The books of account will records all transactions which relate to all sums of money receipt and expenditure takes place and with respect to the assets and liabilities of the Fund.

27.2 The books of account shall be kept at the registered office of the Fund or at such other place or places as the Board thinks fit, and shall always be open to inspection by any Board Members or shareholders.

#### **Article 28: Accounting Auditor**

##### **28.1 Appointment**

28.1.1 An internal auditor shall be appointed by the Board. The auditor will have the term of office of 3 years and may be re-appointed at the end of the three-year term. The appointment and subsequent review of the auditor's performance will occur at every annual general meeting.

#### 28.1.2 Rights and Duties of the Internal Auditor

- (1) to audit daily expenses and activities of the Fund,
- (2) to question and examine necessary and requested document,
- (3) to Propose any recommendation to the managing Director, and
- (4) to consider and certify the correctness of the activities, daily, monthly and annually of the Fund.

28.1.3 External auditor shall be appointed by shareholders to audit the Fund's activities every year or in case of necessity requirement.

#### 28.1.4 Rights and Duties of the External Auditor

- (1) Audit and evaluate the assets and liabilities of the Fund,
- (2) Report the results of such audit and propose to the annual general meeting for consideration and adoption and then report to the bank of the Lao PDR.

#### 28.2 Documentation to be provided

The Managing Director shall ensure that any documentation requested by the auditors in carrying out their duties will be provided to them.

### **Article 29: Restriction**

29.1 Member of the Board of Directors, the Administrator and the staff of the Fund shall not disclose total confidentiality of the member banks and customers of such banks.

29.2 Members of the Board of Directors, the Administrator and the staff of the Fund shall not use their rights and duties for their own interests which he or she may have.

## **Section 10**

### **Measures for those Who Violate**

#### **Article 30: Measures for Those Who Violate**

##### 30.1 Restriction Violated

Any person mentioned in the Article 29 of this charter have been use their rights and duties for their own interests and/or disclosed confidentiality of the Fund shall be put in to legal proceedings depending on case of graveness or in graveness.

##### 30.2 Premium Contribution Violated

Any Member bank of the Fund did not contribute the Premium at the timeline, such bank shall be forced as follow:

1. Warning and talking records,
2. Penalties 0.05 percent per day of the amount unpaid,
3. In case a commercial bank did not comply with two clauses above, such bank shall be declared under Article 23 of this charter.

## **Section 11**

### **Dissolution of Operation**

#### **Article 31: Dissolution and Dispute Resolution**

31.1 in the event of dissolution of operations of the fund for any reason, the dissolution must take place in accordance with the relevant laws of the Lao PDR .

31.2 the Board will determine from time to time the method of dispute resolution and such method will comply with the Laws and regulations of the Lao PDR.

## **Section 12**

### **Final Provision**

#### **Article 32; Amendment to the Charter**

Any Amendment to this Charter must be decided by the Board and endorsed by the shareholders in annual general meeting

#### **Article 33: Effectiveness**

This Charter is effective from the date of its signature

Vientiane, December 27, 1999  
The Chairman of the Board

Signed

Viengthong Siphandone,



## Organizational Structure of the Fund

