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**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

Prime Minister

No. 188/PM
Vientiane Capital, dated 24 July 2013

**Decree
On Organization Structure and Operation of Lao Securities Commission**

- Pursuant to the Law on the Government of the Lao PDR, No.02/NA, dated 06 may 2003;
- Pursuant to the Law on Securities, No. 21/NA, dated 10 December 2012;
- Pursuant to the Proposal of Bank of the Lao PDR, No.208/BOL, dated 09 July 2013;
- Pursuant to the Proposal of Ministry of Home Affairs, No. 271/HA, dated 17 July 2013.

The Prime Minister issues a decree:

**Section I
General Provisions**

Article 1: Objectives

This decree sets forth the functions, organizational structure, duties, scope of rights and working methods of the Lao Securities Commission, which is directly responsible for the management and oversight of securities activities to ensure the continuation of fund raising and stock exchange development, and to contribute to the socio-economic development of the Lao PDR.

Article 2: Position and Roles

“Lao Securities Commission” is abbreviated as “LSCO” which is a governmental body.

The Lao Securities Commission shall function as a secretariat for the government in the macro- management of the securities activities centrally throughout the country.

Section II

Duties and Scope of Rights

Article 3: Duties

The Lao Securities Commission shall undertake the following duties:

1. To review, provide technical input and propose amendments to strategic plans, policies, and laws related to securities activities following the submission of a proposal to the Lao Securities Commission Office, in order to propose to the government for consideration;
2. To adopt projects' work plans, an operation plan, human resource development and recruitment plans, and budget plans as well as infrastructure development and technical equipment supply plans of the Lao Securities Commission Office;
3. To endorse the proposal of the Secretary-General of the Lao Securities Commission Office to appoint a Deputy Secretary-General;
4. To adopt regulations governing securities activities following the proposal to the Lao Securities Commission Office;
5. To certify the approval of establishment or dissolution of securities intermediate institute as being proposed by the Lao Securities Commission Office;
6. To approve the issuance of stocks following the submission of a proposal to the Lao Securities Commission Office;
7. To review the establishment and dissolution of the stock exchange market in accordance with the proposal of the Lao Securities Commission Office in order to propose to the government;
8. To guide and lead the Lao Securities Commission Office in executing securities supervision and assist related agencies in publicizing, disseminating and educating stakeholders on securities activities;
9. To encourage and persuade individuals, juristic persons and organizations to take part in securities development in particular to encourage companies from all business sectors to register on the stocks exchange market;
10. To summarize and report its own operation to the government regularly;
11. To execute other duties as being assigned by the government.

Article 4: Scope of rights

The Lao Securities Commission shall have the following scope of rights:

1. To issue an agreement on the organizational structure and an operation of the Lao Securities Commission Office;
2. To issue a license for the establishment and the dissolution of the stocks exchange market based on the government's agreement;

3. To issue an instruction to initiate an investigation as being proposed by the Lao Securities Commission Office;
4. To issue an agreement regarding the awarding of outstanding officers of the Lao Securities Commission Office and implementation of sanctions for those who violate laws and regulations;
5. To execute other rights as being assigned by the government.

Article 5: Duties and scope of rights of the Chairman

The Chairman of the Lao Securities Commission shall execute the following duties and scope of rights:

1. To take responsibility in guiding and leading the operation of the Lao Securities Commission by setting the strategic direction, coordinating with other relevant sectors, local authorities and international organizations, both domestically and abroad. The Chairman will also cooperate with relevant entities in foreign countries, as required.
2. To serve as a chairman for ordinary and extraordinary meetings of the Lao Securities Commission;
3. To sign off on all significant documents of the Lao Securities Commission;
4. To convene ordinary and extraordinary meetings of the Lao Securities Commission;
5. To report on the performance of the Lao Securities Commission to the government periodically;
6. To delegate responsibilities to each member of the Lao Securities Commission.

Article 6: Duties and Scope of Rights of the 1st Vice Chairman, Standing Commissioner

The 1st Vice Chairman, Standing Commissioner, of the Lao Securities Commission shall execute his duties and scope of rights as follows:

1. To be responsible for guiding and leading daily routine work of the Lao Securities Commission Office;
2. To assume the role of Chairman and execute duties assigned to the Chairman of the Lao Securities Commission, as required;
3. To sign important documents as assigned by the Chairman of the Lao Securities Commission;
4. To propose to the Lao Securities Commission to consider a candidate for the Secretary General of Lao Securities Commission Office;
5. To issue an agreement to appoint personnel of the Lao Securities Commission Office as prescribed in specific regulations;
6. To propose to the chairman to convene extraordinary meetings, as required;
7. To execute other duties and rights as assigned.

Section III

Organizational Structure

Article 7: Organizational Structure

The Lao Securities Commission is a governmental organization which has a Lao Securities Commission Office or “LSCO” that serves as its secretariat. The Chairman of the Lao Securities Commission is responsible for developing an agreement on Organization Structure and Operation of the Lao Securities Commission Office.

Article 8: Organization Chart

The Lao Securities Commission shall comprise:

1. The Deputy Prime Minister as Chairman;
2. The Governor of the Bank of the Lao PDR as the 1st Vice Chairman, Standing Commissioner;
3. The Minister of Ministry of Finance as the 2nd Vice Chairman;
4. The Chairman of the National Committee for Business Development as a Commissioner;
5. The Minister of Ministry of Industry and Commerce as a Commissioner;
6. The Minister of Ministry of Planning and Investment as a Commissioner;
7. The Minister of Ministry of Justice as a Commissioner;
8. The Minister of Ministry of Home Affairs as a Commissioner;
9. The Vice Chairman of Economic, Planning, and Finance Committee, National Assembly as a Commissioner;
10. The Deputy Governor of Bank of the Lao PDR as a Commissioner;
11. The Deputy Head of People’s Supreme Prosecutor as a Commissioner;
12. The Deputy Minister of Government Office as a Commissioner;
13. The Secretary General of the Lao Securities Commission Office as the Secretary.

Section IV

Principles and Working method

Article 9: Principles

The Lao Securities Commission operates under the democratic centralism principle. It consults and makes decisions collectively. It executes one head regime on the basis of precise tasks and delegation and regards meetings as key form of operations.

Every activity of the Lao Securities Commission shall be based on law and the general principles of the government and shall contribute to the implementation of the Government’s policies.

Article 10: Working method

The Lao Securities Commission operates under a meeting regime. The meetings of the Lao Securities Commission shall comprise ordinary and extraordinary meetings. The ordinary meeting is convened once every three months whereas the extraordinary meeting is to be held as required, following a request of the Chairman or the proposal of more than half of the Commissioners.

The meeting of the Lao Securities Commission can be held when there are more than half of the Commissioners participating in the meeting.

The meeting of the Lao Securities Commission shall make decisions based on the majority votes of the Commissioners who attend the meeting. In case of equal votes, the Chairman shall have the deciding vote.

Section V Budget, Emblem and Seal

Article 11: Budget

The operating budget, supply of technical equipment, building, infrastructure and human resource development of the Lao Securities Commission, shall be managed by the Lao Securities Commission Office and the Bank of the Lao PDR.

In instances where the Lao Securities Commission and Lao Securities Commission Office have to expend monies in excess of the budget supplied by the Bank of the Lao PDR, the Ministry of Finance has to provide the needed budget. The income obtained from the management of securities activities shall be given to the Bank of the Lao PDR.

Article 12: Emblem and Seal

The Lao Securities Commission has its own emblem and seal for official use. As for the emblem that contains the letter “L” there is a dot in the middle of bottom and top edge and it is entirely gold and shall be followed by the letter “a” in red and letter “o” in blue that can be pronounced as “Lao”. The following text shall be written below in Lao and in English as “Lao Securities Commission”.

Section VI Final Provisions

Article 13: Implementation

The Government Office, Ministries, Ministerial Equivalents, Local governmental agencies and persons who are appointed shall be aware of, and implement this decree.

Article 14: Effectiveness

This decree replaces the Prime Minister's Agreement No.051/PM, dated 25 May 2009, on Securities and Exchange Commission Appointment, Agreement No.96/PM dated 25 October 2011 on Amendment to the Organization Chart of Securities and Exchange Commission, and Agreement No.29/PM dated 27 July 2012 on Securities and Exchange Commission Appointment.

This decree shall enter into force as at the date of signing.

Prime Minister
(sign and seal)
Thongsing Thammavong