

(Unofficial Translation)

Although every effort has been made to convey the meaning and effect of each provision of the original Lao language version as accurately as possible, this English translation does not carry any legal authority. Only the original Lao text has legal force; this English translation is strictly for reference.



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity
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Securities and Exchange Commission
Securities and Exchange Commission Office

No. 371/SECO
Vientiane Capital, 24 February 2012

Notification

- To:**
- Individuals and Entities wishing to establish securities company;
 - Authorized Securities Company operating securities in Lao PDR;
 - Lao Securities Exchange

Subject: Establishment, development and application of an information technology system in securities companies.

- Pursuant to the Decision on the Organization and Operation of the Securities and Exchange Commission Office, No. 006/SEC, date 08 July 2010.

**The Secretary-General of Securities and Exchange Commission Office
hereby issues this notification:**

1. Prior to commencing operations, securities companies shall establish and develop their own information technology system. Securities companies already established shall also establish and develop their information technology systems.
2. The creation and development of an information technology system in Securities Companies shall be consistent with general principles such as: convenience, security, and high efficiency and shall guarantee the successful operation of the company.

3. Before establishing and developing the information technology system, an analytic report about the information technology system shall be submitted to the Lao Securities and Exchange Commission Office for adoption.
4. The information technology system of the Securities Companies shall comprise the following basic elements:
 - 4.1 Infrastructure system, including server, networking system, operating system, security system, backup system and monitoring system;
 - 4.2 Account Management system;
 - 4.3 Clearing and Settlement system;
 - 4.4 Administrative system for securities trading;
 - 4.5 System for Initial Public Offering, Private offering and Right Offering;
 - 4.6 Primary data system and secondary data on trading;
 - 4.7 Internal and External Reporting System;
 - 4.8 Other relevant systems, necessary for the operation of securities business being approved.
5. After each system is established and successfully developed, a written report shall be submitted to the Lao Securities and Exchange Commission Office to assess each system prior to its implementation. This assessment shall be undertaken by a Committee consisting of representatives from the Lao Securities and Exchange Commission Office, Lao Securities Exchange, securities companies and other relevant agencies.
6. Securities companies shall manage their information technology systems in accordance with the following requirements:
 - 6.1. All data shall be stored on the information technology systems of the securities companies in the Lao PDR.
 - 6.2. All methods and devices shall be consistent with international standards in storing and backing up data.
 - 6.3. Data recovery shall be assured in emergency situations.
 - 6.4. Information shall be provided to the Lao Securities Commission Office and Lao Securities Exchange market in accordance with relevant regulations.
7. Securities companies shall have their own Data Recovery Site (DR Site) located in Lao PDR based on the following standards:
 - 7.1. Data Recovery Sites shall represent the main center of work in emergency situations;
 - 7.2. All data on Data Recovery Sites shall be updated on a real time basis or at a maximum of 1-day delay in comparison to the database in Data Center;
 - 7.3. Data Recovery Sites shall have a standard server room included cooling system, fire system, CCTV system and warning system;
 - 7.4. Secure data recovery measures shall be applied on a timely basis;
 - 7.5. Data Recovery Sites shall be located at a distance from the Data Center and should not be located in close proximity.

In case that the securities companies would like to deposit the data with the secondary center of other organizations, it shall first obtain the approval of the Lao Securities and Exchange Commission Office.

8. In the establishment and development of the information technology system, securities companies shall ensure connectivity with the Lao Securities Exchange market, the Lao Securities Commission Office, the securities companies' subsidiaries, commercial banks and custodian banks to ensure data exchange, data transfer and system operation through the electronic means.
9. The Lao Securities Exchange market shall facilitate the establishment and development of the system of the securities companies to ensure efficient connection with each other.
10. Any change to the information technology system of securities companies, shall be certified by Lao Securities and Exchange Commission Office.

Therefore, we would like to notify relevant agencies to be aware of, and strictly implement this notification.

**Secretary-General of the
Lao Securities and Exchange
Commission Office**

(Signed and sealed)

Vatthana DALALOY