

Unofficial translation

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

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Bank of the Lao PDR

No. 45/BoL

Vientiane Capital, Date 15 Jan 2016

### **Decision**

#### **on the Provision of Additional Information for Financial Institution**

- Pursuant to the Law on Bank of Lao PDR No. 05/NA, dated 14 October 1999;
- Pursuant to the Law on Anti-money laundering and financing of terrorism No. 50/NA, dated 21 July 2014;
- Pursuant to the Decree on Micro-finance No. 460/GO, dated 03 October 2012;
- Pursuant to the Decree on Financial Leasing No. 11/PM, dated 18 February 1999;
- Pursuant to the Decree on Pawnshop No. 10/PM, dated 02 February 2002 and the Instruction on the Implementation of Decree on Pawnshop No. 01/BoL, dated 09 January 2003;
- Pursuant to Regulation No. 03/BoL, dated 20 June 2008 regarding the management of savings and credit unions;
- Pursuant to the requirements and document completion for seeking business operation license No. 154-159/DFIM, dated 17 February 2012 and No. 1038/DFIM, dated 24 July 2014;
- Based on the research and proposal of Department of Finance Institution Management.

**The Governor of the Bank of the Lao PDR issues the Regulation as follows:**

### **Chapter 1 General Provisions**

#### **Article 1 Objectives**

This Decision determines the principles, measures, financial sources reporting stage, shareholder structures and the actual beneficiaries in the form of individuals, legal entities or local and foreign organizations applying for a License to operate financial institution business and financial institutions obtaining business operation license from the Bank of the Lao PDR in order to ensure that the import of founding sources, declaration of sources of fund and actual beneficiaries are in line with the regulation and verifiable.

#### **Article 2 Scope of Use**

This decision applies for individuals, legal entities or organizations (both local and foreign) who wish to apply for a business operation license and have obtained a business operation license from the Bank of the Lao PDR in the form of deposit-accepting microfinance institution, deposit-unaccepting microfinance institution, credit union and savings deposits, microfinance project, financial leasing company, pawn house and international swift transfer company.

## **Chapter 2**

### **Additional Requirement in Applying for Financial Institution Business Operation License**

#### **Article 3 Application for Business Operation License**

Individuals, legal entities or local and international organizations who wish to apply for a license to operate financial institution business must meet the requirement and complete documentation as specified in the Requirement and Document Completion for Seeking Business Operation License No. 154-159/DFIM, dated 17 February 2012 and No. 1038/DFIM and to further complete additional documentation as follows:

1. Document proving the original sources of registered capital and the shareholder structure must be informed in detail the information of individuals and legal entities or local and foreign organizations. For foreign investors, it is required to have a document proving an authorization for export money to abroad from relevant management authority of such countries;
2. In the event that a person who applies for business operation license is a legal entity, a resolution of the shareholder's meeting for appointment of a shareholder's representative.
3. Declaring information related to documents, sufficient evidence is the ownership of actual beneficiaries (shareholders);
4. Declaring appropriate evidence information, with clear history, never committed to a criminal case, detail information related to any crime (both within the country or abroad) and was discovered by management authority as a risk for the actual beneficiaries (shareholders) and senior executive.
5. The change of financial institution executive must obtain an authorization from the Bank of the Lao PDR and must have the same requirement and document completion as the executive;
6. Other information as clearly provided by the Bank of the Lao PDR.

#### **Article 4 Disclosure of Actual Beneficiaries and the Original Sources of Capital**

The Bank of the Lao PDR will seek the customer's information and scrutinize the original sources of the capital and actual beneficiaries in order to prove the legitimacy of the capital sources, individuals, legal entities or organizations who apply for financial institution business operation license.

#### **Article 5 Monitoring or Scrutinizing the Information about the Original Sources of Capital and Actual Beneficiaries**

After the financial institution obtain a business operation license, the Bank of the Lao PDR will conduct an appropriate monitoring or scrutinizing in order to prove the legitimacy of business owner and senior executive about the original sources of capital, shareholder structures and actual beneficiaries.

#### **Article 6 Data Maintenance**

The Bank of the Lao PDR shall possess a maintenance system for the information related to the

application for business operation license and the information that have been monitored or scrutinized by the financial institution as specified in the relevant laws and regulations.

### **Chapter 3**

#### **Measures against Violator**

##### **Article 7 Measures against Violator**

Any persons who violate this Decision shall be subject to a measures as specified in the law on Anti-money laundering and financing of crimes, other relevant laws and regulations of the Lao PDR and as determined by the Bank of the Lao PDR in each period.

Any persons who violate and fail to provide necessary information as stated in Article 3 of this Decision shall not be considered to obtain a business operation license.

### **Chapter 4**

#### **Final Provision**

##### **Article 8 Implementation**

The Department of Financial Institution Management, other relevant departments under the Bank of the Lao PDR, the Bank of the Lao PDR at each region shall acknowledge and strictly implement this Decision based on scope of their rights and duties.

Financial institution that applies for business operation license prior to this Decision must strictly implement additional requirements provided in this Decision and other relevant laws and regulations.

##### **Article 9 Effectiveness**

This Decision shall become effective after 15 days from the date of posting in the Official Gazette onward.

**Governor of the Bank of the Lao PDR**

[Signature and seal]

Dr. Somphao Phaisith