**Unofficial translation**

**Lao People’s Democratic Republic**

**Peace Independence Democracy Unity Prosperity**

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**Ministry of Finance No.: 531/MoF**

**Vientiane Capital, Date 26 February 2016**

**Instruction**

**on the Implementation of the Accounting Law**

* Pursuant to the Accounting Law (Amended) No. 47/NA, dated 26 December 2013;
* Pursuant to Prime Minister’s Decree on Organization and Operation of Ministry of Finance No. 80/PM, dated 28 February 2007;
* Pursuant to Request Letter of the Accounting Department No. 481/MoF.AD, dated 07 December 2015.

**The Minister of Finance hereby issues an Instruction:**

**Chapter I**

**General Provisions**

**Article 1. Objectives**

This Instruction is issued to elaborate some articles as stated in the Law on Accounting to be complete and clear, in line with the economic-social growth of the country, the region, and international in each period aiming for the implementation of accounting work to be accurate, transparent, effective, and uniform countrywide.

**Article 2. Contents of Instruction**

This Instruction shall be implemented simultaneously with Law on Accounting with additional details, mainly on financial reporting standards, accounting work implementation, financial statements, accountant, supervision and inspection of accounting work, uniform, symbol of accounting officials, awards for good performance and measures against violators.

**Chapter II**

**Financial Reporting Standards**

**Article 3. Implementation of Financial Reporting Standards**

Implementing government accounting entities and implementing enterprise accounting entities shall use financial reporting standards to prepare financial statement of their entities in accordance with Article 12 of Law on Accounting that is adopted and announced by the Minister of Finance in each period.

**Article 4. Use of Accounting Standards for Implementing Government Accounting Entities**

A budget unit, technical and fund administrative organization of the government shall use International Public Sector Accounting Standards based on cash. Ministry of Finance issues on specific implementation periodically for the implementing government accounting entities and relevant sectors in order to move towards implementation of International Public Sector Accounting Standards based on the financial receivable-payable principles step by step as stated in Article 13 of the Law on Accounting.

**Article 5. Financial Reporting Standards for Public Interest Enterprises**

Public Interest Enterprises shall apply the International Financial Reporting Standards adopted and announced by International Accounting Standards Board in each period.

Public interest enterprises that will implement financial reporting standards for the first time shall notify in writing to the Department of Accounting, Ministry of Finance six months prior to its commencement starting from accounting year based on the following conditions: accounting mechanism, accounting human resource with qualifications as stated in Article 58 of the Law on Accounting. The Department of Accounting considers and provides a response in writing three months prior the end of accounting year.

**Article 6. Financial Reporting Standards for non-Public Interest Enterprises**

Financial Reporting Standards for non-Public Interest Enterprises are categorized into two levels that are adapted from International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs 2009), which include Financial Reporting Standards for Large, Small and Medium Non-Public Interest Enterprises.

Non-Public Interest SMEs as stated in the law and regulations on SMEs Promotion covering 2/3 of the conditions, mainly in terms of average annual labors, total asset value, and annual revenue shall fuse financial reporting standards for Non-Public Interest SMEs. Regarding Non-Public Interest Enterprises with higher conditions than SMEs shall use financial reporting standards for large Non-Public Interest Enterprises. For enterprises with lower requirements conditions than SMEs shall implement accounting work as stated in specific regulations.

**Article 7. Changing for the Use of Financial Reporting Standards**

The enterprise can change Financial Reporting Standards with higher standards than Financial Reporting Standards stated in the Law as following:

* The smallest enterprises can apply financial reporting standards for Non-Public Interest SMEs;
* Non-Public Interest SMEs can use Financial Reporting Standards for Large Non-Public Interest Enterprise;
* Large Non-Public Interest Enterprises can use International Financial Reporting Standards.

Enterprises wish to use above-mentioned financial reporting standards shall notify in writing to the Accounting Department, Ministry of Finance, starting from the beginning of accounting year.

**Article 8. Consideration for Changing for the Use of Financial Reporting Standards**

The Accounting Department, the Ministry of Finance consider changes to use financial reporting standards of enterprises based on accounting mechanism, human resources, internal training plan, consultant, training participation, by giving a written response to enterprises at least three months prior to ending of the accounting period.

Enterprises authorized to use higher level of financial reporting standards shall use financial reporting standards at least five consecutive years.

Enterprises that use financial reporting standards on the closing period with more than or less than two-third of conditions of SMEs as stated in Article 7 of this Instruction, such enterprises can change financial reporting standards for Non-Public Interest SMEs only when the enterprise’s condition is stable for two consecutive years.

**Chapter III**

**Implementation of Accounting Work**

**Article 9. Holding Accounts**

Holding accounts is the collection, recording, classification and summarization of financial-accounting information including preparing accounting and financial reporting documents by units holding accounts shall ensure full creditability of accounting work as stated in Chapter 1, Part III of the Law on Accounting.

**Article 10. Use of Foreign Currencies**

Enterprises that use foreign currencies that are not the main currency in business operation are to use exchange rate of final day of accounting year stipulated by commercial banks that they have main transactions with in exchanging currencies for the preparation of financial statements as stated in the financial reporting standards used.

**Article 11. Accounting Documents**

Accounting documents are main information in the correct implementation of accounting work as stated in Article 24 of the Law on Accounting. The units holding accounts shall pay attention to fully and correctly prepare accounting documents in accordance with regulations.

**Article 12. Accounting Manual**

Implementing accounting entities shall create specific accounting manual for work implementation works in accordance with Article 25 of the Accounting Law, which includes structure and contents as follows:

* Set general condition of implementing accounting entities, name and location, main activities and secondary activities, and so on;
* Set financial-accounting activities and internal control regarding employee ethics;
* Set accounting policies with clear explanation on accounting method regulations, acknowledgement rules, valuation, demonstration and disclosure of financial reporting, including explanation on financial reporting standards, accounting period, accounting plan, language, currency, bookkeeping (by writing or programming);
* Set filing methods to ensure no damage;

**Article 13. Financial-Accounting Documentation**

Implementing Accounting Entities must prepare finance-accounting documentation, especially it shall include authorization, purchase order, withdrawal request, invoice, cheque, trade instruments, credit, receipt, deliver receipt, import-export tax declaration, bank statement, contractual agreement, memorandum, and so on. Financial-accounting documents shall have correct details with original and copy with signature and name of the authorized persons or person with power attorney.

**Article 14. Finance-Accounting Supporting Documents**

Supporting documents shall have signature of authorized person or director of implementing accounting entity as stated in Article 20.2 of the Accounting Law as follows:

1. Sign correctly and be the same signature each time, not allowing to sign with red pen or pencil or stamp on signature;
2. Sign by authorized person or person with power attorney, not allow to sign prior to writing or typing on the documents;
3. To be sign by person with authority to make purchase order – payment and sign each receive-payment;

For electronic signature, it shall follow Law on Electronic Transactions.

**Article 15. Chart of Accounts**

Chart of Accounts is the systematic classification of accounts with codes and names in appropriate groups, based on which relevant economic-financial of accounting entities as stated below:

* Government accounting entities implements International Public Sector Accounting Standards on cash basis for preparing financial reports shall use chart of accounts approved and publicized by Ministry of Finance;
* Enterprise accounting entities using Financial Reporting Standards for Non-Public Interest Enterprise to prepare financial reports shall use chart of accounts approved and publicized in the Accounting Law;
* Enterprise accounting entities using International Financial Reporting Standards can use specific chart of accounts that are created or as in the form approved and publicized by Ministry of Finance.

**Article 16. Accounting Books, Registers, and Trial Balance**

Implementing accounting entities shall prepare accounting books, registers, and trail balance in line with the form publicized by Ministry of Finance from time to time.

* **Journal** – implementing accounting entities shall record payables and receivables of financial-accounting transactions in a chronologically order with supporting documents;
* **Registers** – record transactions such as cash, national deposit account, cheque account, cheque payment account, inventory, payable account, receivable account, and fixed assets account, which are used for daily account and to compare actual value to the account number.
* **General Ledger** – implementing accounting entities shall hold the account for same accounting group with classifications regarding assets, liabilities, equity, income and expenses. Each account shall show clear balance at the beginning of period, credit and debts transactions and balances. General ledger provides information for preparing the trial balance.
* **Trail Balance** – summary each account, balance of payables or receivables of beginning of the month, monthly credit and debit incurring, balance of payables and receivables of month end and year end. Trial balance is the tool for account control and summary.

Implementing government accounting entities shall register journals and registers with accounting sector. Government implementing entities at central level shall register its journal with Accounting Department of the Ministry of Finance, and local level register at Accounting Office of Division of Finance of Province/Prefecture.

**Article 17. Financial Statements**

In order to have accounting work implementation in line with international financial reporting standards and economic actual condition move to integration with regional and global and provide additional explanation on supporting documents as stated in Article 31 of the Accounting Law, as follows:

1. **Change in component financial statement in the following:**

The components of financial statement include the following changes:

* “Statement of Financial Position” to “Assets Summary”;
* “Statement of Financial Performance, or Income Statement, and Summary Statement” to replaces “Income Statement”;
* “Explanatory notes to financial statement” replaces “Explanatory on principles, accounting methods, and others”;
* “Change in Owner Equity” replaces “Change Owner’s Capital”
* “Cash Flows Financial Report” replaces “General Cash Flow Statement”
1. **Separated Financial Statements**
* In addition to as stated in Article 21.3 on the Accounting Law, separated financial statement is a specific financial statement of an implementing enterprise entity which is not include company group (if applicable). The enterprise shall prepare a specific financial statement based on reporting standards suitable to its enterprise as stated in Chapter II of this Instruction.
* The enterprise prepare separated financial statement based on international financial reporting standards shall use separated financial reporting standard format Large-Size Non-Public Interest Entities.
1. **Consolidated Financial Statements**
* Consolidated financial statements as stated in Article 22.3 in the Accounting Law sets specifically for a parent company or company group. The financial statements are not applicable to an investment, or shareholding enterprise (associate), or joint venture.
* Ministry of Finance shall introduce information that have to be shown by consolidated financial statement for the enterprise for Large-Size Non-Public Interest Entities as reference for implementation.
1. **Financial Statements Format**

**1. Implementing Government Accounting Enterprise**

Financial Statements as stated in Article 31 of The Accounting Law including revenue-expense report for state treasury, cash report, and explanatory notes with accounting principles in line with cash basis under International Public Sector Accounting Standards. At the same time, explanatory notes shall include basic financial position report in line with a separated regulation set forth by Ministry of Finance, which the regulation update from time in order to be prepared to move toward the accrue basis under International Public Sector Accounting Standards.

**2. Implementing Accounting Enterprise Entity**

Statement of financial position and Statement of Financial Performance as stated in Article 31 of The Accounting Law shall have format in line with financial reporting standards as below:

**2.1** Statement of Financial Position shall include current assets, non-current assets, short-term debts, long-term debts, and owner’s equity, unless there are other forms that are more reliable and reasonable.

**2.2.** Statement of Financial Performance has two forms: based on contents or scope of works in accordance with Financial Report Standards for non-Public Interest Entities. The statement of performance refers to Comprehensive Income Statement and Result Report.

Financial report form for specific activity based on Financial Report Standards for non-Public Interest Entities for Small-Sized and Medium-Size entities shall be set by Ministry of Finance as reference for the implementation.

1. **Financial Statements for Implementing Accounting Enterprise**

Separate financial performance statement shall be prepared and submit based on contents, each implementing accounting enterprise can also prepare and submit financial performance report based on scope of works. Consolidated financial performance report shall be prepared based on contents or scope of works.

Implementing accounting entities shall prepare or submit financial performance report showing overall result for separate financial statements or consolidated financial statements in line with financial reporting standards.

**Chapter IV**

**Reporting of Financial Statements**

**Article 18. Timeline for Monthly Financials Statement Reports**

Timing for monthly financial statement reporting is stated in Article 44 of The Accounting Law, implementing accounting government entities shall be carried out as follows:

* Secondary-level budget entities shall complete the preparation of their monthly financial statements and send them to the primary-level budget entity after the closing date no later than five (5) days;
* Primary-level budget entities shall complete the preparation of their monthly financial statements and send them to National Treasury after the closing date no later than 10 days;
* District [and] municipal National Treasuries shall prepare monthly financial statements and send them to the provincial [and] prefecture National Treasury after the closing date no later than 10 days;
* Provincial [and] prefecture National Treasuries shall prepare their monthly financial statements to the central National Treasury after the closing date no later than 15 days.

**Article 19. Timeline for Preparation of Annual Financial Statement Reports**

Timing for annual financial statement reporting is stated in Article 45 of the Accounting Law as follows:

* **Implementing government accounting entities**
* Secondary-level budget entities shall prepare their annual financial statements and send them to the primary-level budget entity after the closing date of the annual accounts no later than 10 days;
* Primary-level budget entities shall prepare their annual financial statements as well as consolidated all the financial statements of the secondary-level budget entities under their control, have them signed by the supervisor, and then submit to Ministry of Finance, provincial [or] prefecture finance divisions after the closing date no later than 30 days;
* District [and] municipal National Treasuries shall prepare annual financial statements and send them to the provincial [and] prefecture National Treasury after the closing date no later than 15 days;
* Provincial [and] prefecture National Treasuries shall prepare their monthly financial statements, consolidate all the financial statement of the district [and] municipal under their control and submit to the National Treasury after the closing date no later than 30 days.
* **Implementing Enterprise Accounting Entities**

Implementing enterprise accounting entities shall complete preparing their annual financial statement within two (2) months after the closing date of the annual accounts and have them signed by managers and head of accounting to verify correctness of the statements as well as report and send the documents to the relevant sectors.

In the event the enterprise operate or cease its business operation any time during the reporting period less than twelve (12) months shall prepare financial statements in line with the reporting timing standards as well as report and send the document to relevant accounting sectors in a timely manner.

**Article 20. Accountability for Financial Statement**

Managers or supervisions of relevant implementing accounting entities are directly and completely responsible for the financial statements to be correct, clear, complete, credible, and transparent prepared by their entities, by not refusing and leaving such accountability to their accounting employees, head of accounting or accounting enterprise (if hired). Therefore, managers of the implementing accounting entities shall implement their accounting works in compliance with accounting regulation, such as, hiring accountant with full qualifications, ensure correctness of supporting documents and reports in the accounting books correctly, fully, timely, and in line with the financial reporting standards used by the entity.

**Article 21. Accountability of Implementing Accounting Entities for Reporting**

Implementing Accounting Entity shall have accountability as stated in Article 47 of The Accounting Law as follows:

* **Accountability of implementing government accounting entities**

Implementing government accounting entity shall have responsibility in details as follow:

1. Ministries, sectors, and equivalent offices shall submit and report annual financial statement to Ministry of Finance (National Treasuries and Accounting Offices) after the closing date no later than 30 days.
2. Divisions, sectors, and equivalent offices shall submit and report annual financial statement to National Treasuries and Accounting Offices that belong to financial divisions of province, capital after the closing date no later than 30 days.
* **Accountability of implementing enterprise accounting entities**

Within three (3) months after closing date of annual accounts, implementing enterprise accounting entities shall submit annual financial statements to accounting sector to supervise and inspect accounting work implementation and bookkeeping in the period as stated, supporting the enterprise to hold correct accounting standards in line with accounting regulations, ensuring completeness, accuracy, transparency, timeliness, and submit to tax sectors as reference for supervision and inspection.

Also, any sectors that sets financial statement submission period for its relating entities, then they shall submit based on the rules of such sector.

**Chapter V**

**Accountants**

**Article 22. Accountants**

Implementing accounting entities hire accountant heads shall ensure it recruit a qualified person with accounting training certificates from Ministry of Finance or relevant ministries recognized by Ministry of Finance as stated in Article 58 of the Accounting Law.

**Article 23. Upgrading Accounting Professional Knowledge**

Heads of Public Interest Entities and non-Public Interest Entities shall be registered members of Lao Chamber of Professional Accountants and Auditors (LCPAA), to ensure heads of account have continuously upgrade from accounting and audit professionals as stated in Article 58 and 63 of The Accounting Law in order to upgrade accounting and audit profession and regulations to ensure professional quality in preparing financial statements.

Public Interest Entities and non-Public Interest Entities shall support accountant heads for continuously upgrade their professional knowledge by attending trainings with Lao Chamber of Professional Accountants and Auditors (LCPAA). In the event head of the enterprise has no continuously training certificates, it shall not be allowed to work in the position of accounting head.

**Chapter VI**

**Supervision and Inspection of Accounting Work Implementation**

**Article 24. Supervision and Inspection**

Referring to Article 79 and 84 of the Accounting Law, Ministry of Finance is directly responsible for the supervision and inspection of accounting work by assigning Department of Accounting as the secretariat for the work supervision and dividing responsibilities for the accounting sector in the country as follows:

* Department of Accounting provides overall supervision for the management inspection of implementing accounting entities throughout the country and has in-depth responsibility to the implementing government accounting entities and implementing enterprise accounting entities that are under Ministry of Finance.
* Office of Accounting of province and prefecture have supervision to implementing government accounting entities and implementing enterprise accounting entities at provincial, prefecture and district levels.

The accounting sector shall collect accounting statistics that under its authority in detailed, clear, and repot monthly, periodically, and annually to the above authority from time to time.

**Article 25. Accounting Supervision**

Department of Accounting, Office of Accounting, District and Municipal Finance Offices have rights and duties in the accounting supervision as stated in Article 80 and 81 of the Accounting Law and additional responsibilities as follows:

Accounting Supervision Organization consider in the issuing of annual accounting monitoring book to implementing enterprise accounting entities regularly on the basis of inspecting financial statements and accounting and/or audit documents in the accounting work implementation of implementing enterprise accounting entities.

For newly established enterprise that are registered under industry and commerce sectors as individual, legal entities, shall have accounting monitoring book from accounting sector on the basis of inspecting information pertaining to capital contribution, sources, and the accounting working implementation plan as reference for supervision and collecting statistics, emphasizing on accounting work implementation of the entities in line with applicable laws each period as stated in Article 6 of the Accounting Law.

Details of supporting documents and reports, Department of Accounting, Ministry of Finance shall issue specific announcement.

**Article 26. Collaboration in Supervision and Inspection Work**

Ministry of Finance assigns accounting sectors in collaborating with main sectors such as State Budget, National Treasury, Tax, Customs, Industry and Commerce, and other relevant sectors in order to lay out rules and mechanism in the supervision and inspection of implementing government entities, and implementing enterprise accounting entities.

**Article 27. Accounting Inspection**

In order to implement accounting inspection of implementing enterprise accounting to ensure compliance with the regulation and financial reporting standards as stated in Part 2 of the Accounting Law, inspections authorities shall inspect based on the following steps:

1. **Inspection based on document**

Accounting officials inspect financial statements and relating documents of implementing accounting entities that are submitted to accounting sectors as stated in Article 48 of the Accounting Law as reference in issuing annual accounting record.

1. **Inspection on Spot**

Officials of accounting sectors inspect on spot at the office of the implementing accounting entities, mainly on the structure of accounting work, accountant, documents, internal control and audit, financial statement preparation and submission, including management method of documents and accounting information of the entities. After completion of accounting officials, they shall prepare and verify by signing with implementing accounting entities to be an evidence and reference in the monitoring for accounting work implementation of accounting entities.

In the event there is concealing, hiding, destroying, and keeping secret of the financial-accounting information that cause damage to the state, [and] revenue collection, the accounting officials have rights and claim by ordering payment of their income to the state with fines according to the regulations and laws.

**Chapter VII**

**Uniform and Logo of Accounting Officials**

**Article 28. Uniform and Logo of Accounting Officials**

Accounting officials have a specific uniform and logo based on their positions for official activities in line with their duties, roles, scope of rights and responsibilities as follows:

1. Official uniform of accounting officials is Khaki color Number 139.
2. Shoulder Badge:
* Direct General of Accounting Department – red badge with a big-three-Frangipani-shape stars each side;
* Deputy Direct General of Accounting Department – red badge with a big-two-Frangipani-shape stars each side;
* Head of Accounting Division - red badge with a small-three-Frangipani-shape stars each side;
* Deputy Head of Accounting Division and Head of Accounting Office under Provincial/Prefecture Division - red badge with a small-two-Frangipani-shape stars each side;
* Head of Accounting Sector and Deputy Head of Accounting Office under Provincial/Prefecture Division - red badge with a small-one-Frangipani-shape star each side;
* Technical accounting officials with 10 years services or more - red badge with three-stripes, five to nine years - red badge with two-stripes, and one to four years - red badge with one-stripe.

For details Department of Accounting is responsible for the implementation.

**Chapter VIII**

**Awards Good Performance and Measures against Violators**

**Article 29. Awards Good Performance**

Individuals, legal entities, and organizations contribute to implementation of accounting work with actuality, completeness, in accordance with rules of law and this Instruction will receive awards or other policies in accordance with regulations.

**Article 30. Measures against Violators**

This instruction elaborate Article 97, Chapter X of the Law on Accounting on Measures against Violators of laws and regulations that education or written warnings or fines will be applied as following:

**A. Implementing Accounting Government Entities**

Implementing Accounting Government Entities shall be penalized as follows:

1. For not having management mechanism for the accounting work and accounting officials as stated in Article 54 and 56 of the Accounting Law shall be cut one percent (1%) of the total administrative fees of the following period;
2. Appointing a close relative as supervisor or manager of the implementing accounting government entity as chief accountant shall be cut one point five percent (1.5%) of the total administrative fees of the following period;
3. Appointing accounting official holding multiple positions such as responsible for cash treasury, accounts, procurement, and warehouse shall be cut two percent (2%) of the total administrative fees of the following period;
4. Having no account shall be cut five percent (5%) of the total administrative fees of the following period;
5. Holding incorrect and incomplete accounts shall be cut two percent (2%) of the total administrative fees of the following period;
6. Preparing incorrect and incomplete accounts as stated in Article 24 of the Accounting Law and shall be cut five percent (5%) of the total administrative fees of the following period;
7. Not preparing an account as stated in Article 45 and 56 of the Accounting Law and Article 12 of this Instruction shall be cut ten percent (10%) of the total administrative fees of the following period;
8. Destroying evidence, falsifying, altering, and concealing information and document, relating to accounting work shall be cut ten percent (10%) of the total loss of administrative fees of the following period;
9. Late submission of annual financial statement not as stated in Article 45.1 of the Accounting Law shall be cut three percent (3%) of the total administrative fees of the following period;
10. Not submitting report annual financial statement shall be cut four percent (4%) of the total administrative fees of the following period;
11. Using accounting program not permitted by Ministry of Finance shall be fined fifty million (50,000,000) Lao Kip;
12. Not bringing accounting books or record to registered with accounting sector shall be fined one million (1,000,000) Lao Kip.

**B. Implementing Accounting Enterprise Entities**

Implementing Accounting Enterprise Entities shall be penalized as follows:

1. For not having management mechanism for the accounting work and accounting officials as stated in Article 54 and 56 of the Accounting Law shall be fined three million (3,000,000) Lao Kip;
2. Having no annual accounting record shall be fined five million (5,000,000) Lao Kip;
3. Having no account shall be fined twenty million (20,000,000) Lao Kip;
4. Using multiple accounting systems or not following the announced financial statement standards shall be fined five million (5,0000,000) Lao Kip;
5. Not using language, currency, or numerical figures as stated in Article 7 of the Accounting Law shall be fined ten million (10,000,000) Lao Kip;
6. Implement incorrect accounting period as stated in Article 8 of the Accounting Law shall be fined 10 million (10,000,000) Lao Kip;
7. Public Interest Entities or Large-Sized Non-Public Interest Enterprise fails to follow internal control and audit principles as stated in Article 41 and 42 of the Accounting Law shall be fined fifteen million (15,000,000) Lao Kip;
8. Assign accounting head and staff that do not have sufficient qualifications as stated in Article 58 and 59 of the Accounting Law shall be fined five million (5,000,000) Lao Kip;
9. Providing incomplete and incorrect information shall be fined five million (5,000,000) Lao Kip;
10. Destroying, falsifying, altering, concealing, accounting information and wrongdoing on work relating to finance-accounting shall be fined thirty percent (30%) of the total damage amount to be returned;
11. Remove original accounting documents from implementing accounting entities shall be fined three million (3,000,000) Lao Kip;
12. Using service of an individual and legal entity that are not authorized to operate accounting-audit work according to the law shall be fined ten million (10,000,000) Lao Kip;
13. Preparing incomplete, incorrect, and late reporting or not reporting shall be fined twenty million (20,000,000) Lao Kip;
14. Obstruct, not cooperate, give bribes or presents to accountants or government officials shall be fined twenty million (20,000,000) Lao Kip;
15. Other acts in violations of regulations shall be fined from three million (3,000,000) Lao Kip to twenty million (20,000,000) Lao Kip;

**C. Head of Accounting**

Head of accounting shall be penalized as follows:

1. Disclosing confidentiality of the implementing accounting entities without the board of implementing accounting entities (unless it is required by regulations) shall be fined ten million (10,000,000) Lao Kip;
2. Reporting incorrect financial-accounting shall be fined ten million (10,000,000) Lao Kip;
3. Colluding with individuals, legal entities, and organization in concealing, falsifying, or destroying financial information shall be fined fifteen million (15,000,000) Lao Kip;
4. Abusing their position for their own interests, by force, threats, obstruction, or receiving bribes shall be fined ten million (10,000,000) Lao Kip;
5. Impeding, delay, or abandoning their assigned accounting duties and responsibilities shall be fined five million (5,000,000) Lao Kip;
6. Summarizing and carrying out accounting works beyond its assigned position shall be fined five million (5,000,000) Lao Kip;
7. Other acts in violations of regulations shall be fined from five million (5,000,000) to ten million (10,000,000) Lao Kip based on severity level;

**D. Accounting Staff**

Accounting staff shall be penalized as follows:

1. Holding multiple positions such as responsible for cash treasury, accounts, procurement, and warehouse shall be fined three million (3,000,000) Lao Kip;
2. Disclosing confidentiality of the implementing accounting entities without the board of implementing accounting entities (unless it is required by regulations) shall be fined five million (5,000,000) Lao Kip;
3. Colluding with individuals, legal entities, and organization in concealing, falsifying, or destroying financial information shall be fined seven million (7,000,000) Lao Kip;
4. Summarizing and carrying out accounting of other accounts beyond its assigned position shall be fined ten million (10,000,000) Lao Kip;
5. Abusing their position for their own interests, by force, threats, obstruction, or receiving bribes shall be fined five million (5,000,000) Lao Kip;
6. Impeding, delay, or abandoning their assigned accounting duties and responsibilities shall be fined three million (3,000,000) Lao Kip;
7. Other acts in violations of regulations shall be fined from three million (3,000,000) to ten million (10,000,000) Lao Kip based on severity level;

**E. Accounting and Audit Firm**

Accounting and audit firm shall be penalized as follows:

1. Violating the Code of Ethics shall be fined ten million (10,000,000) Lao Kip;
2. Providing accounting services to an implementing accounting entity that is not duly registered shall be fined ten million (10,000,000) Lao Kip;
3. Being a representative in a giving their opinion to conceal the offense of an implementing accounting entity shall be fined fifteen million (15,000,000) Lao Kip;
4. Disclosing confidential information of the implementing accounting entity for whom they carry out accounting work shall be fined ten million (10,000,000) Lao Kip;
5. Destroying evidence, falsifying documents, conceal accounting-related data and offense shall be fined twenty million (20,000,000) Lao Kip;
6. Offering bribes or presents, or colluding with officials in concealing [information], or falsifying financial statements for their own interests for the interests of the implementing accounting entity for whom they render accounting services shall be fined twenty million (20,000,000) Lao Kip;
7. Not cooperating with State accounting staff or officials shall be fined ten million (10,000,000) Lao Kip;
8. Carrying out accounting-audit services for the same implementing accounting entity shall be fined three times of the service fees;
9. Carrying out accounting-audit services for implementing accounting entity that of close relative is the chief of accountant or directors shall be fined ten million (10,000,000) Lao Kip;
10. Other acts in violations of regulations shall be fined from three million (3,000,000) to ten million (10,000,000) Lao Kip based on severity level;

**F. Individuals, Legal Entities, and Other Organizations**

Individuals, Legal Entities, and Other Organizations shall be penalized as follows:

1. Declining to provide information to the relevant organizations, or being involved in the concealment [of information] and encouraging the commission of offense related to the accounting and bookkeeping of the implementing accounting entity shall be fined ten million (10,000,000) Lao Kip;
2. Offering or receiving bribes, colluding with State officials, the implementing accounting entity, and the accounting and audit firm in concealing information or falsifying financial statements for their own interest and casing damages to the State’s interests shall be fined fifteen million (15,000,000) Lao Kip;
3. Summarizing and carrying out accounting work for implementing accounting entities without authorization from the finance authority shall be fined five million (5,000,000) Lao Kip;
4. Intervening in the accounting implementation or impeding an accounting inspection shall be fined from three million (3,000,000) to ten million (10,000,000) Lao Kip based on severity level;
5. Other acts in violations of regulations shall be fined from ten million (10,000,000) to twenty million (20,000,000) Lao Kip as well as legal punishment based on severity level;

**Article 31. Management of Revenue from Fines**

Fines in each case as stated in Article 30 of this Instruction and to be implemented by each accounting sector and other sectors relating to accounting work shall be centrally managed at each level of accounting sector. The forms and methods of calculating fines are to be implemented based on the prescribed forms issued by Ministry of Finance.

**Chapter IX**

**Final Provisions**

**Article 32. Implementation**

Supervision and audit accounting work, implementing accounting entities, and relevant sectors shall acknowledge and strictly implement this Instruction.

**Article 33. Effectiveness**

This Instruction on the Implementation of the Law on Accounting is effective from the date of signature.

**Minister of Finance**

***(Signature and stamp)***

**Dr. Lien Thikeo**