



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

Prime Minister

No. ____/PM

Vientiane Capital, dated _____

“DRAFT”

Order

**On Withholding, Freezing or Seizure of Funds Relating to
Proliferation Financing**

- Attention:
- The Anti-Money Laundering and Counter-Financing of Terrorism's National Committee;
 - Ministries, Organization equivalent to Ministry;
 - Local Authorities;
 - Authorized unit to report, relevant individual, legal entities and organization.
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- Pursuant to the Law on Government of Lao People's Democratic Republic, issue no. 02/NA, dated 06 May 2003;
 - Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorism, issue no. 50/NA, dated 21 July 2014;
 - Pursuant to Decree on Two Purpose Products Management Associated with Mass Destruction Weapons, issue no. ____/PM, dated _____;
 - Pursuant to the Proposal of the Anti-Money Laundering and Counter-Financing of Terrorism's National Committee, issue no. ____/_____

To facilitate activities on counter-financing to Proliferation of Weapons of Mass Destruction effectively and comply to domestic and international principles.

The Prime Minister issue an Order:

1. Assigned to the National Coordination Committee (NCC), ministries, organization equivalent to ministry, local authorities, reporting entities, individuals, legal entities and relevant organizations to perform according to procedures, methods of detain, seizure and freezing of funds of terrorism and resolving of funds associated to the financing of Proliferation of Weapons of Mass Destruction according to this Order set out.

2. Funds and properties to be detain, seizure and freezing of funds of Terrorism are included money or assets that associated as follows:
 - 2.1 Funds and properties are possessed or controlled by natural person or organizations that are on list related to the plan or threat on Proliferation of Weapons of Mass Destruction;
 - 2.2 Funds and properties are possessed or controlled either directly or indirectly for partially or completely by natural person or organizations that are on lists;
 - 2.3 Funds and properties are obtained or occurred from funds and properties that being possessed or controlled either directly or indirectly by natural person or organizations that are on lists;
 - 2.4 Funds and properties of natural person or organizations that act on behalf of or conducted according to the order of natural person or organizations that are on lists;
- 3 Proposal of defining the list of person who involved in the Proliferation of Weapons of Mass Destruction or the financing to Proliferation of Weapons of Mass Destruction shall act as follows:
 - 3.1 Assigned to the Ministry of Public Security acts as co-operator to co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, Anti-Money Laundering Intelligence Office (AMLIO), relevant ministries and organizations to research and propose the list of person who involved in the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction to NCC to consider certify and conduct according to procedures that United Nation set out. Adding or removing name list to accounts shall be based on primary resources as follows:
 - 3.1.1 Individuals or legal entities who involved in Nuclear operating plan including other operating plans related to Weapons of Mass Destruction and the Missile operating plan;
 - 3.1.2 Individuals or legal entities who supported the Nuclear project, Weapons of Mass Destruction including providing supports through illegal approaches;
 - 3.1.3 Individuals or legal entities who act on behalf or act upon the order of individuals or legal entities as defined in subparagraph 3.1.1 and 3.1.2 above;
 - 3.1.4 Individuals or legal entities who belong or under controlled either direct or indirect of individuals or legal entities as defined in in subparagraph 3.1.1 and 3.1.2 above;
 - 3.1.5 Individuals or legal entities who facilitating in avoiding measures on penalties or violates of the Acts 1718 (2006) and Acts 1874 (2009);
 - 3.1.6 Individuals or legal entities who supported prohibited projects, prohibited activities by relevant Acts or to avoid the provision of the Acts;
 - 3.1.7 Any individuals or legal entities who involved either direct or supported on financing to the proliferation of Nuclear activities or participant in purchasing process of prohibited items such objects, products, devices, materials and technology as defined in the Acts of UN Security Council;

- 3.1.8 Individuals or legal entities who provided aiding to individuals or legal entities which listed in the list of avoidance or the actions that contrary to the Acts of UN Security Council.
- 3.1.9 Individuals or legal entities who act on behalf or act upon the order of individuals or legal entities as defined in subparagraph 3.1.7 and 3.1.8 above or by other individuals that those person owned or have the authorities to control.
- 3.2 Every single proposal to add or remove the names from the list of United Nation Security Council (UN Organization) shall send to NCC to consider. In case there is sufficient evidence to considering, NCC shall certify and accept according to such proposal.
- 3.3 Name list of person who associated to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall include individuals, legal entities or organizations who subjected to the name list by UN Security Council or UN Security Council Committee that established under the Acts of UN Security Council, issued no. 1718 Acts (2006) and no. 2231 Acts (2015).

Individuals, Legal entities or Organizations as defined in the above shall be added or remained in the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction immediately when UN Security Council or UN Security Council Committee have determined in the list or until the cancellation will being made from relevant lists.
- 3.4 Assigned to the Reporting entities, Postal enterprise, Ministries and other Organizations to follow up and regularly investigate the list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, then report to Ministry of Public Security to update those lists.
- 3.5 The designation list declaration process and proposal of adding or removing a name from the list of person who associated with Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction of UN Security Council shall act as follows:
 - 3.5.1 Assigned to Ministry of Foreign Affairs submitting the amended designation list of person who associated with Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction to Ministry of Public Security and Anti-Money Laundering Intelligence Office (AMLIO) immediately upon receiving the list from UN Organization;
 - 3.5.2 Assigned to AMLIO on reporting the amended designation list to Reporting entities immediately and appointing Ministry of Public Security to declare the relevant designation list to Postal enterprise and other relevant organizations immediately, and also publishing to Government's website or website of relevant organizations regularly;

- 3.5.3 In case, if there is sufficient evidence and be able to certify that any individuals, legal entities or organizations complied to any conditions of the Acts of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN which still not added to the name listed as UN Security Council have determined that Ministry of Public Security shall act in co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, Anti-Money Laundering Intelligence Office (AMLIO), Ministries and relevant Organizations to consider the proposal of adding to the list of UN Security Council.

In case, upon the co-operation of Ministry of Public Security according to the act as defined in the above paragraph of this Subparagraph where Ministry of Public Security has already considered and found that there is sufficient evidence to certify that relevant individuals, legal entities, or organizations have complied to a condition of the Acts of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, then Ministry of Foreign Affairs shall propose and add such relevant names into the name list of UN Security Council by using a form that approved by the Committee of UN Security Council includes detail statement of such case.

- 3.5.4 In case of there is sufficient evidence to certify that any individuals, legal entities or organizations who are not in the conditions or not under the conditions of the name list which is defined in the Acts of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, then Ministry of Public Security shall act in co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, Anti-Money Laundering Intelligence Office (AMLIO), Ministries and relevant Organizations to propose and remove such relevant names from the name list of UN Security Council.

In case of after co-operated with Ministry of Public Security according to the first paragraph as defined in this Subparagraph, and Ministry of Public Security has considered that there is sufficient evidences to certify that any individuals, legal entities or organizations who are not comply to the conditions as defined in the name list according to the Acts of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, Ministry of Foreign Affairs shall propose and remove such relevant names from the name list of UN Security Council by using a form that approved by the Committee of UN Security Council includes detail explanation about why such individuals, legal entities or organizations are not under the conditions of the list of determination.

- 4 The request of listing a name on the name list who associated to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall act as follow:

- 4.1 Individuals, legal entities or organizations who have been affected by the listing in the name list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction can make a request to People's Supreme Prosecutor Office to consider about such listing issues;
 - 4.2 People's Supreme Prosecutor Office to co-operate with Ministry of Public Security and relevant entities to identify and investigate those evidences provided from individuals, legal entities or organizations requesting for the name list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction. The steps and processes shall be act in accordance with the principles regulation that People's Supreme Prosecutor Office set out;
 - 4.3 Proposal of defining the list of person who involved in the Proliferation of Weapons of Mass Destruction or the financing to Proliferation of Weapons of Mass Destruction which under the name list of UN Security Council shall be revised as defined in subparagraph 3.5.3 and 3.5.4 of this Order. Ministry of Public Security shall notify relevant individuals, legal entities or organizations who are listed in the name list that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction in the list of UN Security Council to have an acknowledge about the possibility to make a request for adding and removing such name list by sending a request directly to Independent Auditor Office of UN Organization.
- 5 Detain, Seizure and Freezing of Funds of Terrorism that related to person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall act as follows:
- 5.1 Reporting entities as defined in Article 17 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism:
 - Shall regularly investigate their customers who have transaction or associated with source of Funds as defined in subparagraph 2 of this Order and shall immediately investigate upon receiving the notification from Anti-Money Laundering Intelligence Office (AMLIO) about the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction;
 - Reporting entities shall using their initial regulation to stop and to detain such Funds immediately after found that their customer is in the name list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or having any transaction that associated with such terrorism funds as defined in subparagraph 2 of this Order; and also immediately report to Ministry of Public Security and Anti-Money Laundering Intelligence Office (AMLIO);
 - Assigned to Ministry of Public Security to issue an order to seizure and freezing of funds of terrorism immediately upon receiving the report from reporting entities.

The order to freezing or seizure of above-mentioned funds shall remain in effective until there is any revision or adjustment in the name list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from UN Security Council.

Within thirty days, from the date of issued the Order of freezing and seizure of funds as defined in subparagraph 2 of this Order, Ministry of Public Security is being authorized to consider toward such suspected person or funds as defined in subparagraph 6 of this Order. For the consideration of suspected person and funds with complicated manner that shall be inspected or investigated across different sectors shall not exceed sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

In case where such funds are not related or associated with a person who listed in the list that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, Ministry of Public Security shall give a notice in writing to reporting entities to acknowledge and terminate such provisional measures.

Reporting entities who implemented its obligation in a good faith under subparagraph 5.1 of this Order will not be liable for any act under their activities. On the other hand, in case of reporting entities failed to comply with its obligation, negligence or indiscreet in perform their duties or any perform as defined in subparagraph 5.1 of this Order.

5.2 Detain, Freezing and Seizure of Funds of Terrorism that Transfer and service by Post Office:

- Assigned to Postal enterprise to regularly monitoring and shall immediately investigate the postal package, the postal box or mail bag upon receiving a notice on the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from Ministry of Public Security;
- Postal enterprise shall apply preliminary measures to stop and to detain such funds of terrorism after found that their customer is in the name list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or having any transaction that associated with such terrorism funds as defined in Subparagraph 2 of this Order. Also immediately report to Ministry of Public Security and Anti-Money Laundering Intelligence Office (AMLIO);
- Assigned to Ministry of Public Security to issue an order to seizure or freezing of such funds immediately upon receiving the report from postal enterprise;
- Assigned to Ministry of Public Security to issue an order to seizure or freezing such funds immediately when found that there are such postal packages, postal boxes or mailbags sent from Lao PDR to another countries or from another countries to Lao PDR which contained or filled with funds as defined in

Subparagraph 2 of this Order within the time of forty-eight days, and also Ministry of Public Security shall open or inspect in order to establish the fact.

The order to seizure or freezing of Funds of Terrorism shall remain effectively until there will have any adjustments or changes in the list of persons who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from UN Security Council.

Within thirty days, from the date of issued the order to freezing or seizure of Funds that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction that contained in the postal packages, postal boxes or mailbags, Ministry of Public Security is being authorized to consider toward suspected person and funds as defined in subparagraph 6 of this Order. For the consideration toward suspected person and funds with complicated manner or shall be inspected or investigated in different sectors shall not exceeding sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

In case, if such funds are not related or associated with a person who listed in the list that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, Ministry of Public Security shall give a notice in writing to Postal enterprise to acknowledge and terminate such initial regulation.

Postal enterprise will not responsible to any activities or not act if they doing the right thing and not because of they have less controlled in performing their duties or any performance as defined in subparagraph 5.2 of this Order.

5.3 Detain, Seizure and Freezing of Funds of Terrorism that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction at any other sectors:

Any natural person, legal persons or organizations shall apply initial regulation to stop and to detain such funds of terrorism as defined in subparagraph 2 of this Order immediately after found that any natural person, legal person or organizations who having co-operation, relationship in business or having any transaction which subject to designation list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or found that any natural person, legal person or organizations having any transaction that associated with such terrorism funds as defined in subparagraph 2 of this Order, shall immediately report to Ministry of Public Security and Anti-Money Laundering Intelligence Office (AMLIO).

Through the case of the specific tasks, the consideration of financial intelligence or consideration of the notice received on suspected natural person, legal person or organizations after the suspected transaction was found as defined in subparagraph 2 of this Order, Ministry of Public Security is being authorized to co-

operate with such natural person, legal persons or organizations and other relevant sectors to do an assessment to certify that funds is associated or not associated and resolving such issues as defined in subparagraph 6 of this Order, which shall be issued an order to detain or freezing of funds of terrorism immediately in case there is sufficient evidence to proof on such issues.

Within thirty days, from the date of issued the order to seizure or freezing of funds of terrorism as defined in subparagraph 2 of this Order, Ministry of Public Security is being authorized to consider toward suspected person, and such funds as defined in subparagraph 6 of this Order. For the consideration toward suspected person and funds with complicated manner or shall be inspected or investigated in different sectors shall not exceeding sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

- 6 Resolving of funds that subjected to detained, seizure and freezing of funds of Terrorism shall act as follows:
 - 6.1 Return the funds to the owner who are legally possessed, if such funds has been possessed by other persons or illegally use in any activities related to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction;
 - 6.2 In case, there has been considered and seem like the condition is in the exemption in accordance with the Acts 1718 (2006) and the Acts 2231 (2015) shall being approved to be able to access to money or other assets as defined in those Acts.
 - 6.3 For any deposit account which being seized in accordance with the Acts 1718 (2006) and the Acts 2231 (2015) shall consider to allowed to have an increasing interest or other incomes for such accounts or allowed to have the settlement as defined in the contract or agreement or obligation that occurred before the date of such accounts with a condition that such interest including other incomes and settlement shall remained freezing.
 - 6.4 Freezing of Funds of Terrorism in accordance with the Acts 1737 (2006), which has been continue conducted by the Acts 2231 (2015) or conducting in accordance with the Acts 2231 (2015) shall not allow any natural person or legal person who appears under designation list to have exemption from its obligation of settlement as defined in the agreement issued prior the listed of such natural person or legal persons into the designation list with following conditions:
 - 6.4.1 Considered and found that the agreement is not associated to the list of prohibited objects, devices, products, technologies, aids, training, financial aids, investment, a broker or service provider as defined in the Acts 2231 (2015) and other Acts which continues from such Acts;
 - 6.4.2 Considered and found that such natural person or legal person have not yet received the payment whether by direct or indirect process as defined in the Acts 2231 (2015);

- 6.4.3 There is a letter submitted in advance to UN Security Council to inform about intentional of settlement or receiving of such payment or intentionally to give the power of authority with appropriated reasons to cancel the freezing of such funds including financial assets or other business resources which will be used for this purpose, which shall submit the notice letter in advance for 10 official working days prior to such approval.
- 6.5 Cancellation of seizure, freezing of Funds of Terrorism and return of Funds if such person has been removed from the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction ;
- 6.6 In case, they are unable to identify the owner or the person who legally possessed of Funds, then such funds shall be nationalize or being destroyed according to the Law on State Assets or associated Laws of Lao PDR.

Any natural, legal person or organizations who have been affected from detained, seizure and freezing of funds of Terrorism shall make a petition to People's Supreme Prosecutor Office to use any appropriated regulation to resolve the case as defined in subparagraph 6.1 to 6.5 of this Order.

In case, People's Supreme Prosecutor Office is considering about funds that has been seizure or freezing as defined in subparagraph 6.1 to 6.5 of this Order, People's Supreme Prosecutor Office shall determine some necessary conditions to natural person, legal person or organizations to prevent from using such funds to support relevant activities that related to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, in case People's Supreme Prosecutor Office has been considered and resolved an issue of such funds that being seizure or freezing as defined in subparagraph 6.2 to 6.4 of this order. People's Supreme Prosecutor Office shall provide all document and necessary notice letter to relevant committees of UN Security Council to ask for an approval from relevant committees of UN Security Council through Ministry of Foreign Affairs prior to use of such funds.

Funds on detained, seizure and freezing of funds shall remain on detained, seizure and freezing until there is any resolving measures take place as defined in subparagraph 6.1 to 6.6 of this Order.

Funds on detained, seizure and freezing of funds shall remain on detained, seizure and freezing until there is any resolving measurement set out as defined in subparagraph 6.1 to 6.6 of this Order.

- 7 This Order is effective from the date of signature and after 15 days of publishing on the Government bulletin.

Prime Minister of Lao PDR