

**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

**Prime Minister**

**No.:**            **/PM**  
**Vientiane Capital, dated** \_\_\_\_\_

**“Draft”**  
**Decree on Casino and Gambling Operation Activities**

- Pursuant to the Law on Government No. \_\_\_\_\_;
- Pursuant to the Law on Investment Promotion No. 14/NA, dated 17 November 2016;
- Pursuant to the Proposal of the Ministry of Planning and Investment No. \_\_\_\_\_

**The Prime Minister hereby issues a Decree:**

**Part I**  
**General Provisions**

**Article 1. Objectives**

This Decree is issued to supervise casino and gambling operations in the Lao PDR. It aims at ensuring uniform supervision of such business activities in accordance with the laws, promoting domestic tourism and generating revenue to the state budget.

**Article 2. Scope and Targets of Application**

**1. Scope of Application**

This Decree defines regulations on casino operations and supervision of casino operations in the territory of Lao PDR.

**2. Targets of Application**

- a. Enterprises operating casino activities;
- b. Persons authorized to play gambling and persons permitted to enter and exit casino business service premises according to the provisions of this Decree;
- c. Competent state authorities who have mandates to issue business operating licenses, supervise, monitor, inspect and take disciplinary actions related to casino operations;
- d. Individuals and legal entities involving in casino business activities.

**Article 3. Definitions**

The terms used in this Decree shall have the following meanings:

1. **Casino business** refers to business activities as authorized by competent authorities who issue business operating licenses for businesses that provide prize-winning gambles, including slot (gaming) machines and poker (card) table, to provide services to persons permitted to play gambles in accordance with this Decree.

2. **Prize-winning gamble** refers to an act of playing lucky games or games that combine both luck and playing skills which are played in prize-winning gambling machines or at prize-winning poker tables. Gamblers may use cash to play games and may win prizes in cash or in kind.
3. **Prize-winning gambling machines** (of this Decree after refer as to “**gambling machines**”) refers to a special electronic device allowed to operate under this Decree to provide prize-winning games services that are installed in the machines. Game play is interacted between game gamblers and the machines.
4. **Prize-winning gambling table** (of this Decree after refer as to “**game tables**”) refers to a special gambling tool used to serve prize-winning games, where game play is carried out between gambling attendant and gamblers.
5. **Gambling device or tool** refers to prize-winning gambling machines, game tables and other equipment or tools used to operate casino business activities according to this Decree.
6. **Slot machine** refers to prize-winning electronic gambling machines with three (3) or more pictures showing on screen to indicate winning or losing result or random prize-winning, in which prizes are already fixed and installed in the machines.
7. **Game attendant** refers to an employee of a casino business operator who controls prize-winning games at game tables.
8. **Gambler** refers to an individual permitted to play prize-winning games at casino business operation premises as specified in Article 12 and 13 of this Decree.
9. **Prize payout percentage** refers to an average payout percentage to gamblers playing slot machine within a certain period of time, or a certain number of spins of slot machine that the machine maker or producer has designed and installed in the machine or the winning ratio over total betting value of gamblers who pay other prize-winning games as defined in the regulations.
10. **Gambling coins** refers to chip, card, bill that can be converted into cash, which the casino business enterprises are permitted by the competent state authorities to use in casino operations and has special value used only in the casino operation premises.
11. **Casino business premises** refer to one or multiple halls used to operate casino business activities as authorized by competent state authority according to the laws and regulations.
12. **Casino and entertainment service premises** refers to an area comprising of multiple projects which were built to provide services related to travel activities, hotel and resorts businesses,..., including casino business activities as permitted by competent state authorities in accordance with the laws and regulations.
13. **Casino business premises supervisor** refers to individuals assigned by casino business operator to supervise, administer, and inspect casino business activities wholly or partly at the casino business premises.
14. **Casino company** refers to an enterprise as authorized by the competent state authorities who issued business operating license according to laws and regulations.
15. **Large casino company** refers to an enterprise operating casino business activities with minimum investment value of US\$2 billion in the project providing services related to tourism and entertainment complex that include casino business activities.
16. **Small casino company** refers to an enterprise operating casino business activities with investment value below US\$2 billion in the project providing services related to tourism and entertainment complex that include casino business activities.
17. **Investment license** refers to a document on paper [or] electronic format containing investor’s registration information under investment project according to the provisions of the Law on Investment Promotion.

#### **Article 4. Principles on Casino Business**

1. Casino business is a controlled business activity under strict supervision of the State to assure that the operation of such business activities complies with provisions as defined in this Decree and related laws and regulations. Only registered casino business that has business operating license according to the provisions of this Decree and enterprises as stipulated in paragraph 1, Article 65 of this Decree are authorized to operate casino business activities.
2. Casino business shall operate its main business activities aiming at developing sectors related to tourism, commerce and diversifying entertainment business activities, upgrading living requirements of people and attracting tourists, while assuring public security, public order and justice.
3. Organization [and] participation in prize-winning games shall assure transparency, impartiality, honesty, ensuring rights and benefits of participating parties in accordance with the law.
4. Individuals, legal entities involving in the organization and participation in prize-winning games shall correctly and consistently comply with the provisions set forth in this Decree and other relevant laws.

#### **Article 5. Prohibitions**

[Businesses are prohibited from]

1. Operating a casino business without having a business operating license, except enterprises as defined in paragraph 1, Article 65 of this Decree.
2. Operating casino business activities that are not defined in the casino operating license or investment license for enterprises as defined in paragraph 1, Article 65 of this Decree.
3. Transferring, leasing, and lending casino business premises that violate regulations of casino business premises to operate casino services.
4. Changing, leasing, lending and transferring a casino operating license.
5. Operating casino business activities in the course of casino operating license is withdrawn or temporarily suspended as per decision of the state.
6. Allowing persons other than those as defined in Article 12, 13 and 15 of this Decree to enter the casino business premises.
7. Allowing, organizing direct gambles among gamblers and gamblers based on results of prize-winning games at the casino business premises.
8. Cheating process of organization, participation in gambles at the casino business premises.
9. Creating unrest, rampage at the casino business premises as defined in the laws and regulations.
10. Disseminating [and] distributing contents and pictures of gambling machines, game tables, coins and other betting equipment that are unapproved by the competent state authority according to the provisions of the laws.
11. Taking advantages of casino business activities to organize, provide illegal prize-winning games in the computer, telecommunication and Internet systems.
12. Taking advantages of casino business to carry out illegal transactions, moving currencies, precious objects through a form of money laundering, supporting terrorism, establishing brothel.
13. Taking advantage of casino business activities to conduct trafficking, transporting foreign currencies, precious objects in forms of money laundering activities.

14. Certifying false game winning amounts, not consistent with actual amounts or rights, or causing difficulties for gamblers through confirming winning money without reasonable explanation.
15. Obstructing or not cooperating with policy or government authorities while conducting audits, inspection.
16. Failing to provide information or report to the authorities when requested;
17. Other prohibitions as defined in the prevailing laws.

## **Part II**

### **Casino Operations**

#### **Article 6. Casino Business Premises**

1. Casino business activities are allowed to operate its business activities only at the designated location as permitted by the government according to the provisions of the law;
2. Casino business premises shall be located distance from other business areas and shall comply with the following requirements:
  - a) Having separate entrance and exit;
  - b) Having electronic surveillance cameras (CCTV) to monitor activities at the casino business premises 24 hours and shall assure that CCTVs are installed at various places such as entrance and exit, gambling machine zones, game table zone, cashier counters, cash room, chips or token exchange areas and money container storage room. Video record of CCTV shall be stored at least 6 months from the date of record. If necessary, the storage period shall be extended as requested by the state authorities;
  - c) Having sufficient security guards, full security equipment, fire protection equipment, emergency exit, assures security [order] as defined in related regulations. Qualifications of security guards shall be complied with the Decree on Safety and Security of Organization, Offices and Companies No ..., dated..... And shall comply additional decision (if any);
  - d) Having signs for regulations on entrance and exit in Lao, English and other languages (if any) posted at a noticeable places at the entrance and exit of casino business premises.

#### **Article 7. Opening Hours**

1. [Casino] business is allowed to open its services everyday within a year, except competent authorities might require it to close for certain days. An enterprise is obliged to notify its service days and times.
2. Enterprise is allowed to temporarily suspend its operations. It is required to notify in writing to the Ministry of Planning and Investment, Ministry of Finance, Provincial or Vientiane Capital Administration (of this Decree after refer as to “Provincial Administration Authority”), Provincial Department of Finance fifteen (15) days prior to the date of suspension. The notification shall clearly state period of suspension with reasons, and the expected date to reopen business activities. In case the reopening date is changed, the enterprise is required to post an announcement at the casino business premises and notify in writing to the above mentioned authorities.
3. In case the state authorities require an enterprise to temporarily suspend its business operations, the enterprise shall immediately notify its customers about

period of business suspension after the date of state authorities issued a decision on business suspension.

#### **Article 8. Number of Gambling Machines and Gambling Tables**

1. The number of gambling machines, gambling tables is specified in the investment license or investment agreement;
  - a) For the investment project that was granted an investment license or investment agreement from the date of this Decree is effective, the number of gambling machines and gambling tables shall be approved by the Prime Minister and clearly specified in the investment license or decision. The determination of the number of gambling machines, gambling tables of the project is based on the project registered capital, at which US\$10 million would be allowed maximum number of 1 gambling table and 10 gambling machines;
  - b) For the project that was granted a license prior to this Decree is effective, the number of gambling machines and tables shall be based on the number as specified in the investment license.
2. The number of gambling machines and tables as specified in the casino operating license;
  - a) For the investment project that has an investment license or agreement and has been operating casino business activities since the effective date of this Decree, the number of gambling machines and tables shall not be more than the number as specified in the investment license or decision. The determination of number of gambling machines and tables of the enterprise shall be based on actual capital of the project, where the capital ratio of US\$10 million would be allowed maximum number of 1 gambling table and 10 gambling machines.
  - b) For the investment project that has been granted a license prior to the effect date of this Decree, the number of gambling machines and tables shall be complied with the provisions of Article 65 of this Decree.
3. The grounds for determining the number of gambling machines and tables as determined in the casino operating license are established by the enterprise [and] shall be suitable with the business premises, demand of business operation in each period; however, it shall not exceed the number as specified in the business license. After launching casino activity services, the enterprise, within 5 days, shall provide a written notice on a number of gambling machines and tables to Ministry of Finance, Provincial Administration, Provincial Department of Finance, Investment Promotion Office and Customs Office for the purposes of supervision and monitoring.

#### **Article 9. Increasing Number of Gambling Machines and Tables**

1. Increase the number of gambling machines and tables are allowed only for large casino enterprises. In case small casino enterprises wish to increase the number of gambling machines and tables, it shall scale up its business to meet the requirements of service premises as defined in this Decree.
2. Increase the number of gambling machines and tables are defined in the investment license or agreement.

In business operations, the investment enterprise that has scaled up the business and wishes to increase the number of gambling machines and tables in addition to those as specified in the investment license or agreement, the enterprise is required to amend its investment license or agreement as defined in the Law on Investment

Promotion. The increasing number of gambling machines and tables shall be approved by the Prime Minister and specified in the investment license or agreement. The requirements for considering the increase of number of gambling machines and tables are as the followings:

- a) Registered investment value increased US\$10 million from original value, it is allowed to increase 1 gambling machines and 10 gambling machines.
  - b) Business performance, impacts on society and economy, public security and order of local community where the project is located.
3. Change in a number of gambling machines and tables as determined in the casino operating license:
- a) In the course of business operations, if an enterprise wishes to change the number of gambling machines and tables from the number as specified in the casino operating license, the business is required to change the casino operating license. The number of gambling machines and tables requested to increase shall not exceed the existing number as determined in the investment license or agreement. Criteria for considering the increase of number of gambling machines and tables is based on actual capital that has been increased compared to registered capital as specified in the casino operating license. If the capital increased US\$10 million, it is allowed to increase maximum 1 gambling table and 10 gambling machines.
  - b) The increase of a number of gambling machines and tables is considered only for enterprise that has increased its investment capital compared to the value when it was granted a business operating license. Any change of casino operating license shall have minimum amount is US\$100 million per time.

#### **Article 10. Types [and] Forms of Games**

1. An enterprise is licensed to operate prize-winning business activities in two (2) forms including gambling machines and gambling tables;
2. An enterprise may classify the types and forms of prize-winning games in its business operations; but shall not exceed the number of gambling machines and tables as specified in the business operating license or investment license of the enterprises as defined in paragraph 1, Article 65 of this Decree.

#### **Article 11. Game Rules**

1. An enterprise shall develop proper game playing rules for all prize-winning games, prize awarding percentages, specific designs for each type of gambling machines and tables. Such game play rules shall be in line with the law, regulations and include the following contents:
  - a) Name of games;
  - b) Instructions how to pay prize-winning games;
  - c) Images and instructions on how to use functions of machines and tables;
  - d) Playing instructions;
  - e) Prize-awarding percentages;
  - f) How to determine prize-winning and principles for paying prizes to winners;
  - g) Troubleshooting irregularities that may occur during the play;
  - h) Dispute resolution mechanism in case of disagreement between enterprise and gamblers;
  - i) Other contents as may be required by the enterprise.
2. The enterprise shall post game rules at casino business premises at not later than 15 days before its operations, and shall store make available game playing data [and]

game rules to relevant state authorities during the inspection as defined in this Decree.

#### **Article 12. Persons Permitted to Enter and Play Games at Casino Business Premises**

1. Foreigners and overseas-Lao holding valid foreign passports and border passes and legally entering into Lao PDR;
2. All persons as specified in paragraph 1 of this Article shall have full status as defined by the provisions of Lao laws and voluntarily abide by the Game Rules, regulations of casino business premises of the enterprise, and provisions as stipulated in this Decree.

#### **Article 13. Permitting Lao Citizens to Enter and Play Gambling at Casino Business Premises**

1. Place:

The authorization of Lao people to use services and play gambling at the casino business premises shall be taken place at the service area and tourism complex with casino business activities that meet the requirements as defined in this Decree and authorized by the state authorities.

2. Validity:

The validity is three (3) years from the date of operations and allowed Lao people to use casino business services. After three (3) years, the government may evaluate and agree to extend the permission for Lao people to continue using services or stop using such services.

3. Lao people permitted to enter and use services at the casino business premises as defined in item 1 of this Article shall meet the following conditions:

- a) Being 21 years or older and have legal responsibility;
- b) Having financial capacity to play gambling at the casino business premises. Gamblers shall present proof of their regular incomes from LAK 10 million or higher, or an individual liable to comply with tax obligation of level 3 or above as defined in the Law on Income Tax. The Ministry of Finance issues detailed instructions of financial statement;
- c) Gamblers shall buy entry ticket to the casino business premises. The ticket price is ..... Kip/24 hours/person or ...../month/person;
- d) Shall not be a person prohibited by the casino business to enter into the casino service premises;
- e) Lao people who are permitted to enter and uses services at the business premises shall use Lao Kip for exchange for chips and exchange chips for Kip in case of remaining chips or winning prizes.

4. Lao people are not prohibited to enter and play gambling at the casino business premises include:

- a) Being preceded a criminal charge in Lao or foreign court;
- b) Being prosecuted on causing social unrest or imprisoned for three (3) or more years and the charge remains effective;
- c) Being in bail period;
- d) Being under the re-education process, activity restriction, being faced disciplinary action to hold any position, prohibited to conduct any business activities according to the court decision;
- e) Being under the process of re-education and drug addictive treatment;
- f) Being under the process of implementation of court order on civil case, pending to court decision.

5. Revenue from sale of entry tickets at the casino business premises according to item c), paragraph 3 of this Decree shall be handed over local authority where the business premises are located for purposes of social security, social services, public security as directed by the Ministry of Finance.
6. Duties of casino business that permitted Lao people to enter and play gambling are as the followings:
  - a) Develop regulations on monitoring [and] inspection of Lao people entering [and] using its services;
  - b) Issue electronic membership cards to Lao people entering [and] using services. The card shall include the following contents:
    - Electronic card number;
    - Name and surname of a cardholder;
    - Passport or ID card number;
    - Photo of a cardholder;
    - [Date] and times for entry and exit the premises;
    - Amount of money for gambling and prize-winning for each visit;
    - Other information related to gambler supervision according to the rules of the casino business.
  - c) Cooperate and provide supervision rules, documents, history [and] images to relevant state authorities during their monitoring and inspection duties.
  - d) Cooperate with the state authorities in the evaluation of performances of casino service related to the permission of Lao people to enter and play gambling.

#### **Article 14. Rights and Duties of Gamblers**

1. Gamblers have the following rights:
  - a) Being fully paid rewards upon winning;
  - b) Lao and foreign gamblers residing oversea and holding valid passports issued by foreign authorities, valid border passes with legal immigration would receive rewards in cash, may transfer or hand carry foreign currencies out of the country according to the Law on Currency Supervision and instructions of the Bank of Lao PDR;
  - c) Request the enterprise to keep confidentiality of information on winning and receiving rewards, except state authorities require such information as defined in item i), paragraph 2, Article 22 of this Decree;
  - d) Lodge complaint or sue the enterprises regarding payment of prize rewards, complaint about interruption, violation of regulations as stipulated in this Decree and other relevant laws;
  - e) Have other legitimate rights as defined in Game Rules published by the enterprise.
2. Gamblers shall have the following duties:
  - a) Carry documents proving that they are eligible gamblers as stipulated in Articles 12 and 13 of this Decree;
  - b) Comply with the Game Rules, regulations, and by-law of the enterprise; fully pay tax obligations to the State according to the provisions of the law;
  - c) Prohibited to use results of prize-winning games at the casino business premises for gambling among gamblers;
  - d) Prohibited to cause disorder or unrest at the casino business premises;
  - e) Strictly comply with the provisions of this Decree and other prevailing laws.



#### **Article 15. Persons Permitted to Access Casino Business Premises**

1. Persons permitted to access the casino business premises are as stipulated in Articles 12 and 13 of this Decree;
2. Employees of the enterprise are permitted to access to the casino business premises to perform their duties as assigned by the enterprise. The enterprise shall create a list of its employees who are permitted to access to casino business premises.
3. Competent government authorities who are assigned to conduct inspection and follow up the enterprise as per prevailing regulations or in case of emergency involving safety [and] public security.
4. Persons as determined in items 2 and 3 of this Article may access to casino business premises to perform relevant duties as assigned, and are prohibited to use the services.
5. The enterprise is required to keep records on the access or issue electronic cards to monitor access of all persons permitted to access the casino business premises. Records shall be kept according to the requirements of the laws and shall be available for inspection of competent state authorities.

#### **Article 16. Management of Gambling Coins**

1. Gambling coins of each enterprise shall be containing a symbol, unique mark to distinguish and assure the provisions specified in Article 18 of this Decree. The determination of coin value may be in Lao Kip or other currencies. The termination of coin value in foreign currency shall be consistent with the instructions of the Bank of Lao PDR. The enterprise is not permitted to use gambling coins of other business in its business.
2. The enterprise shall control gambling coins according to the instructions of the Ministry of Finance as the basis for determining turnover of the enterprise and gambling coins shall be registered for its model, quantity, types of coins with the competent provincial finance department and tax department who have direct supervision and monitoring duties.
3. In case there is any change of model, quantity, types of gambling coins, they shall be registered with the provincial competent finance department and tax department within 5 days from the date of such change occurred.
4. In case of a gambler is a foreigner and an overseas Lao holding a foreign passport, carries valid border pass to entry Lao PDR, gambling coins could be exchanged in foreign currency or Lao Kip if there is left over of winning prizes.

#### **Article 17. Supervision of Gambling Machines, Tables, and Other Gambling Equipment**

1. Gambling machines, tables used at the casino business premises shall be not more than the number as specified in the business operating license and fulfill all requirements, technical standards according to this Decree.
2. Gambling machines and tables used in the casino business premises shall be 100% new, have manufacturer's technical code. The gambling tables shall be certified and verified by internationally accredited independent organization.
3. Prototype of gambling tables:
  - a) The registered enterprise is permitted to use the prototype to train its staff [and] simulation of gambling use. The number of prototype shall not over 1 table per type of gambling.

- b) The prototype shall be specifically designed and clearly defined that such equipment shall be used for training and placed in a separate area within the casino business premises.
  - c) The prototype is prohibited to be used in providing all types of services in any forms.
4. Percentage of payment of winning prizes for gambling machine is 80% (including accumulative prizes) and shall be already installed in the machines. In event that the enterprise desires to change the percentage, it shall ensure that not below the minimum percentage of prize payment. The enterprise shall inspect machines before reusing them and shall determine the percentage of prize payment in the Game Rules.
5. At the time of purchase gambling machines and tables, the enterprise shall request for complete set of documents as listed in this Decree from manufacturers, suppliers or independent accreditation organization. Such documents shall be verified, certified or registered with the competent authorities. The enterprise is obliged to keep those documents for inspection and audit purposes by the state authorities.

**Article 18. Purchase, Export and Destruction of Gambling Machines and Tables, Gambling Coins, and Other Gambling Equipment**

- 1. The enterprise permitted to operate a casino business and enterprises as defined in item 1, Article 65 of this Decree may purchase gambling machines and tables, gambling coin and other gambling equipment. Such purchases and import of gambling machines and tables, gambling coins and other gambling equipment shall be consistent with the laws and regulations on import, export, and provisions of this Decree and instructions of the Ministry of Information, Culture and Tourism.
- 2. The enterprise may purchase gambling machines and tables not exceed the specified number and shall fulfill technical standards as defined in this Decree. Contents, images as authorized to publicize shall comply with the instructions of the Ministry of Information, Culture and Tourism.
- 3. The enterprise permitted to operate casino operating license and enterprises as stipulated in item 1, Article 65 of this Decree may buy spare equipment of gambling machines and tables, gambling coins and other gambling equipment and also buy and import such spare equipment for replacement purposes. Buying, managing and using spare equipment shall comply with the following principles:
  - a) The number of spare equipment shall not exceed 10% of the total permitted number of gambling machines and tables, gambling coins and other gambling equipment.
  - b) Spare equipment shall be 100% new;
  - c) The use of spare equipment to replace old or broken ones shall ensure that the number of gambling equipment does not exceed the allowed number.
- 4. Within 30 days, the enterprise is required to export or destroy gambling machines and tables, gambling coins and other gambling equipment in following cases:
  - a) The enterprise terminates its business operations or the casino operating license has been revoked;
  - b) Gambling machines and tables, gambling coins and other gambling equipment are expired as defined by the manufacturers, or damaged or could not be fixed or use in normal conditions;
  - c) Gambling machines and tables, gambling coins and other gambling equipment are unusable for business operations because they do not meet business needs of the enterprises or enterprise needs to change or replace such equipment and gambling coins to match their current business activities.

5. Destruction of gambling machines and tables, gambling coins and other gambling equipment shall be witnessed and verified by representatives from the provincial finance department, department of information, culture and tourism, and local customs authorities. The export of gambling machines and tables, gambling coins and other gambling equipment shall be consistent with the existing laws and regulations.
6. The use of gambling equipment that is damaged or required technical repair and maintenance, the enterprise is permitted to conduct maintenance and repair but are not allowed to adjust prize-awarding percentages. In event that the maintenance and repair affected the components leading to changes of prize-awarding percentages, the enterprise shall have independent certification organizations as defined in item 2, Article 17 of this Decree to verification prior to their use.

#### **Article 19. By-Law and Internal Control**

1. The enterprise shall develop and issue an by-law for casino business premises. Such by-law shall include the following contents:
  - a) Provisions on casino business premises management, including opening and closing times, inspection of permitted customers; regulations on safety and security;
  - b) Regulation on the management of casino business premises, including staffs and managers at casino business premises, roles, responsibilities, rights and duties of each division, various positions;
  - c) Financial regulations and gambling coins management regulations;
  - d) Regulations on the management, maintenance and repair of gambling machines and tables and other gambling equipment;
  - e) Regulations on dispute solution between gamblers and gamblers, between gamblers and enterprise, and between gamblers and staffs of enterprise, detailed and clear methods for resolving disputes that may occur based on relevant laws and regulations;
  - f) Other regulations that are consistent with the laws of Lao PDR to serve enterprise operations.
2. The enterprise shall establish an internal control unit with clear mandates, responsibilities. The implementation of such mandates and responsibilities shall be compliance with by-law, provisions of this Decree and provisions of relevant laws and regulations.
3. Within 15 days prior to operating casino business activities, the enterprise shall submit by-law to the investment registration unit under the Ministry of Finance for management purposes. The enterprise shall keep its by-law and make it available to the state authorities for audit and inspection as defined in this Decree.

#### **Article 20. Internal Regulation on Anti-Money Laundering**

1. The enterprise shall develop and issue its internal regulation on anti-money laundering in compliance with the Law on Anti-Money Laundering and as defined by the state authorities.
2. The enterprise shall perform a timely change, improve internal regulation on anti-money laundering in conformity of the law amendment, and improve organizational structure, size and degree of the risk of anti-money laundering. The enterprise shall also disseminate the internal regulation on anti-money laundering to various parties, staffs in charge of anti-money laundering.

## **Article 21. Management of Payment and Foreign Exchange**

1. The enterprise shall accept Lao Kip, foreign currency, ATM card from gamblers in exchange for gambling coins every time when accessing to play gamble at the casino business premises. The collection and payment of foreign currency of enterprise could be made only after obtaining approval from the Bank of Lao PDR as defined in Chapter IV of this Decree.
2. Enterprise may collect foreign currencies from casino operations and use such currencies to pay rewards to winning foreign and Lao gamblers residing in foreign countries and holding foreign passports issued by foreign authorities, valid border passes and legal immigration in case of winning prizes. Foreign currency activities can conduct after approval of Bank of Lao PDR as defined in Chapter IV of this Decree.

## **Article 22. Rights and Duties of Enterprise**

1. An enterprise operating casino business activities has to following rights:
  - a) Provide services on gambling machines, tables and prize-winning gambles according to the casino operating license or investment license for enterprises as defined in paragraph 1, Article 65 of this Decree.
  - b) Refuse persons who are not those permitted to access and play at casino business premises;
  - c) Ask any permitted person to leave at the casino business premises if his or her behavior violate regulations of the casino business premises;
  - d) Ask gamblers to present documents proving their eligibility to play gambles at casino business premises;
  - e) Sign contracts on the management, procure of management services and pay management charges shall be consistent with the provisions of applicable laws, whereas management service charges shall not exceed as specified under the instructions of the Ministry of Finance.
2. An enterprise has the following duties:
  - a) Comply with provisions of the laws casino business;
  - b) Allocate managers of casino business premises as registered in application dossier for casino operating license. In case of any change of a manager, enterprise she be responsible for a new qualified replacement as defined in item d), paragraph 1, Article 25 of this Decree and shall submit a written notification to the Ministry of Finance, provincial supervision committee, provincial finance department, and investment registration office.
  - c) Operate gambling business according to the announced gambling rules;
  - d) Pay rewards in full amount and on timely manner to gamblers. Certify actual reward as requested by gamblers;
  - e) Resolve disputes, complaints of gamblers in according to the gambling rules and laws;
  - f) Fully comply with tax obligations as defined in relevant regulations in business operations;
  - g) Implement preventive measures on anti-money laundering according to the laws and regulations;
  - h) Keep confidentiality, maintain security and order in operating casino business as defined by laws and regulations;
  - i) Keep confidentiality on prize winning information as requested by gamblers, except otherwise as requested by competent state authorities for monitoring, examination and inspection activities as defined the provisions of laws and regulations;

- j) Establish a unit in charge of advisory, advertisement, communication, and monitoring of [authorized] gambler behaviors;
- k) Develop and use responsible gambling rules as per laws and regulations;
- l) Establish information system, reporting system for state authorities in charge of casino operations as defined by laws and regulations;
- m) Be responsible before the laws for all casino business activities before the laws in all casino operations, including hiring management services.

**Article 23. Dispute Resolution at Casino Business Premises**

- 1. The enterprise shall develop regulation on dispute resolution according to the provisions of laws to resolve the disputes between gamblers and enterprise that occur while playing gambles. The regulation on dispute resolution shall contain the followings:
  - a) All disputes shall be resolved according to the regulation on dispute resolution;
  - b) Responsibilities of gamblers [and] reports of the enterprise shall indicate grounds of various cases violating the game rules and request to enterprises for resolution;
  - c) Situations and facts of complainer have been considered and resolved;
  - d) Procedures [and] process for dispute resolution between gamblers and enterprise shall include complaints, a body receiving complaints, duration and rights of enterprise to resolve the disputes;
  - e) Rights and responsibilities of gamblers and enterprise.
- 2. The enterprise shall make known publicly regulation on dispute resolution through posted at various places at casino business premises, on enterprise website (if any), or distribute in a form of leaflet to gamblers.
- 3. If the disputes between gamblers and enterprise cannot be resolved, either party may lodge such case to the dispute resolution committee or people's court to proceed according to the laws and regulations.

**Part III**

**Requirements and Procedures for Investment Licensing and Certificates on Qualifying for Casino Operations**

**Article 24. Requirements for Investment Licensing in Services, Tourism and Entertainment Complex with Casino Business Activities**

- 1. Investment licensing in the fields of services, tourism and entertainment complex with casino business activities shall meet the following requirements:
  - a) Authorized by competent authorities regarding to casino project development policy;
  - b) Casino operations may be granted an investment license only if they are associated with service areas, tourism, and entertainment complex provided that at least shall consist of business activities such as hotel, service area, tourism, trade center, amusement park, convention center;
  - c) Minimum investment value is US\$ 2 billion;
  - d) Has an effective investment plan and fits with the situations of Lao PDR aiming at controlling negative impacts of the casino business activities.
- 2. An investment application [and] procedures for issuing investment licenses shall comply with the Law on Investment Promotion. Requirements for considering of [the

application] shall be based on investment policy as defined in paragraph 1 of this Article.

## **Article 25. Requirements for Granting Casino Operating Licenses**

1. Requirements for granting casino operating licenses include:
  - a) Having approval from the competent authorities that issue investment licenses or decision on investment that define approval for operating casino business activities;
  - b) The enterprise has imported capital for developing investment project over 50% of investment value as specified in the investment license or investment decision;
  - c) Having standard casino business premises as defined in paragraph 2, Article 6 of this Decree;
  - d) Having managers of casino business, obtaining at least bachelor's degree with minimum one year experience in casino business management and shall not be persons prohibited to establish, manage enterprises according to the laws and regulations;
  - e) Having a business plan as defined in paragraph 6, Article 25 of this Decree.
2. Any service, tourism establishment and entertainment complex that operate casino business activities would be considered granting a casino operating license and such license would be granted to the enterprise applied for investment license as defined in the investment license or investment decision.
3. Prior to operating casino business activities, the enterprise shall fulfill all requirements related to safety and security requirement based on conditional business requirements as defined by prevailing laws.

## **Article 26. Application form for Casino Operations**

The application form for casino operating license shall include the following documents:

1. Application form for casino operating license;
2. Copy of a certified of investment license or investment decision stipulating casino business activities and certificates indicating investment or revised investment decision (if any) issued by the relevant agency as defined in the Law on Investment Promotion or a copy of document that has not been certified shall be presented with original document for verification.
3. Application form, a certifying the import of capital by enterprise as defined in item 2, Article 25 of this Decree.
4. Diagram, location of the casino business premises.
5. Draft internal supervision regulation, structure of internal audit, internal regulation on anti-money laundering, regulations dispute resolving and regulations on casino customer services.
6. A casino business plan shall contain the following information: enterprise identity, investment situations of the project, period of casino operations, estimated number of gambling machines and tables, types of gambles, investment evaluation report, estimated income and expenses in foreign currencies, security and safety measures at the casino business and project implementation plan.
7. Names list of managers, criminal record, a copy of education certificated which verify educational degree of casino business managers or copies of uncertified documents but shall be presented with original ones for verification.

## **Article 27. Processes and Procedures for Casino Operating License**

1. The enterprise submits one set of application for a casino operating license to the Ministry of Finance to examine for their completeness and accuracy. The Ministry of Finance shall respond to the enterprise within fifteen days from the date of receiving the application regarding to the completeness of the application, and require the enterprise to submit additional documents (if any) and then submit six sets of accurate documents for consideration.
2. The Ministry of Finance shall issue a casino operating license within sixty days from the date of receiving complete and accurate documents. In case the application is rejected, the Ministry of Finance shall notify the enterprise in writing with rationale of the rejection.
3. Procedures for considering the application:
  - a) The Ministry of Finance shall send a set of application to obtain comments from relevant ministries, including: Ministry of Planning and Investment, Ministry of Public Security, Ministry of Information, Culture and Tourism, the Bank of Lao PDR and the provincial where the enterprise submit the application for business licseasing.
  - b) Relevant authorities shall provide their comments in writing to Ministry of Finance within fifteen days from the date of receiving a set of application and be responsible for such comments;
  - c) Upon receiving comments from relevant ministries and sectors as defined in item a) of this Article, the Ministry of Finance shall consolidate comments, review and make a decision on the issuance of casino operating license.
4. Contents for consideration:

According to the provisions of this Decree and other relevant regulations, the Ministry of Finance and relevant sectors shall consider the application according to the requirements as defined in paragraph 1, Article 25 of this Decree.

## **Article 28. Certificate for Compliance with Casino Business Operating Requirements**

1. The casino operating license shall contain following contents:
  - a) Name [and] address of enterprises applying for a casino operating license;
  - b) Sequent number and date of the issuance of investment license or decision;
  - c) Representative of enterprises;
  - d) Number of authorized gambling machines and tables;
  - e) Casino business premises, areas as dedicated for casino business premises located within the area of service, tourism and entertainment complex where casino business activities are operated;
  - f) Project duration;
  - g) Other contents as required for management purposes.
2. A casino operating license clearly specifies duration of business operations as requested by the enterprises, but not exceed validity of the investment license or decision and the maximum validity shall not exceed twenty (20) years from the date the investment license or decision enters into effect, except otherwise as defined in Article 65 of this Decree.

## **Article 29. Re-issuance of Certificate for Compliance with Casino Business Operating Requirements**

1. In case the casino operating license of the enterprise is lost, dirty, torn as a result of natural disaster, fire or force of majeure, the enterprise shall apply for the reissuance of such certificate according to the specified procedures.
2. Application for the reissuance of a casino operating license includes the following documents:
  - a) Application form for the reissuance of casino operating license;
  - b) Certified copy of investment license or investment decision stipulating casino business activities and certificates indicating investment or revised investment decision (if any) issued by the competent authorities as defined in the Law on Investment Promotion or a copy of document that has not been certified shall be presented with original document for verification.
  - c) A copy of lost or dirty casino operating license of the enterprise (if any).
3. Process [and] procedures for reissuing a Casino operating license:

The enterprise shall submit one (1) set of application for the reissuance of a casino operating license to the Ministry of Finance within fifteen (15) days upon receiving a complete and accurate application. The Ministry of Finance shall play a leading role to coordinate with relevant sectors as defined in paragraph 3, **Article 27** of this Decree for review and make decision on the reissuance of a casino operating license to the enterprise. The reissued license shall indicate version, whereas the license number shall be the same as of the original [previous] version.
4. Validity of the reissued license is the remaining time of the original validity as specified in the original casino operating license.

## **Article 30. Certificate for the Compliance with Casino Business Operation Requirements**

1. In case the enterprises wish to change any contents in the casino operating license as defined in paragraph 1, Article 23 of this Decree, the enterprise shall submit an application for the amendment of such license. For a change of the number of authorized gambling machines and tables, the enterprise shall fulfill all requirements be as defined in paragraph 3, Article 9 of this Decree.
2. Application for amending the casino operating license shall contain the following documents:
  - a) Application for amending the casino operating license;
  - b) A certified copy of investment license or decision that specified casino business activities and all investment certificates or decision (if any) issued by the competent authorities as defined the Law on Investment Promotion or a copy a license that has not been certified, but shall be presented with original copy for verification
  - c) A copy of casino operating license of the enterprise;
  - d) Application form with supporting documents for amending the casino operating license shall comply with the provisions of this Decree and other provisions of relevant laws.
3. Process and procedures of revising Casino Business Qualified Certificate:

The enterprise shall submit one (1) set of application to amend the casino operating license to the Ministry of Finance. Within thirty (30) days from the date of receiving a complete and accurate set of application, the Ministry of Finance shall coordinate with relevant sectors as defined in paragraph 3, Article 26 of this Decree



for review and make decision whether to grant a casino operating license to the enterprises or not, in which it shall clearly state the time of reissuance.

4. The amended validity of the casino operating license shall be the remaining time as defined in the existing casino operating license or the latest amended license.

### **Article 31. Renewal of Casino Operating License**

1. The consideration whether to renew a casino operating license for a large-scale investor in casino business as defined in item 15, Article 2 of this Decree.
2. The large-scale investor in casino business whose casino operating license is expired according to this Decree [and] if wishing to continue the casino operations, the investor shall file an application for renewal of such casino operating license not later than six months before the expiry date of the existing license.
3. Requirements for renewal of casino operating license includes:
  - a) A copy of a Casino operating license that has validity not less than six months.
  - b) Full compliance with all requirements as defined in items a), b) and c) of item 1, Article 24 of this Decree.
  - c) Fully comply with all casino business operation requirements based on the latest summary and inspection of the competent authorities prior to applying for renewal as defined in item 3, Article 60 of this Decree.
4. Application [and] supporting documents for renewal of casino operating license include:
  - a) Letter of intention for renewal;
  - b) A copy of a casino operating license that has validity not less than six months.
  - c) Documents as listed under items 2, 4, 5 and 7, **Article 26** of this Decree.
  - d) A copy of the latest inspection report of competent authorities prior to filing an application for renewal of casino operating license as defined in item 3, Article 60 of this Decree.
5. Regulations [and] principles on the renewal of casino operating license shall comply with the provisions under items 1, 2 and 3, **Article 27** of this Decree.
6. Contents of consideration: based on provisions as defined in this Decree and other relevant laws, decisions of the Ministry of Finance and other relevant sectors as defined in item 3, Article 26 of this Decree. The consideration shall comply with the requirements as defined in item 3 of this Article.
7. The validity of casino operating license shall not exceed validity as defined in the investment license.

### **Article 31. Revocation of Casino Operating License**

1. A casino operating license is revoked in any of the following cases:
  - a) Within twelve (12) months from the date of receiving a casino operating license, the investor fails to operate its business activities;
  - b) Dissolution, bankruptcy according to the laws;
  - c) An Investment license or decision is revoked.
  - d) Failing to comply with the requirements on casino operations based on inspection results of the relevant sector as defined in item 3, Article 63 of this Decree.
  - e) Violating regulations on casino operations as reported by relevant sectors under item a, item 3, Article 63 of this Decree.
2. The casino operating license is expired and revoked as defined on in letter b, c, item 1 in this article.
3. The Ministry of Finance, in cooperation with relevant sectors as defined in item 3, Article 27 of this Decree, shall supervise on the issuance of a decision on revocation of casino

operating license as defined in letters a, d and g, item 1 of this Decree. Such decision on revocation of casino operating license shall be notified to investor ten days before a casino operating license is revoked.

4. The investor shall immediately cease casino business activities.
5. The decision on revocation of casino operating license may be publicized on various means of communications.

## **Part IV**

### **Procedures [and] Regulations on the Issuance of Permit on Financial Operation Related to Turnover [and] Expenditure In Foreign Currencies**

#### **Article 32. Regulations on the Issuance of Permit on Financial Activity Related to Income and Expenditure in Foreign Currencies**

1. After receiving an approval from relevant sectors on the issuance of a casino operating license, the investor wishing to use foreign currencies in business operations involving income and expenditure and other operations involving foreign currencies as stipulated in this Decree, the investors shall submit letter of intent by themselves or by post office to bank or branches of bank located in capital, provinces which project located, Documentations consist of:
  - a. An application to carry out income and expenditure transactions in foreign currencies and other activities related to foreign currency.
  - b. A copy of investment license or agreement.
  - c. A copy of casino operating license.
  - d. Regulations on management [and] internal control of income and expenditure in foreign currencies for authorized representative that are signed by investor.
2. Within 15 days from the date of receiving an application from the investors, the bank or its branch where the project is located shall process the application according to the law and regulation.
3. Within 30 days from the date of receiving completed application, the bank shall consider the issuance of a permit. In case of rejection, the bank is required to notify the investor with rationale.
4. Validity of a license shall be consistent with the validity of the casino operating license and maximum shall not exceed 20 years from the date of issuance of casino operating license enters into force.

#### **Article 34. Regulations of Reissuance, Change, Renewal of Permit**

1. Regulations on reissuance of a permit
  - a. In case the license is lost or torn, the investor shall submit 2 letters of intention for reissuance of a license directly or through a branch of the Bank of Lao PDR where the project is located, whereas the documents shall consist of:
    - An application for reissuance of a permit with rationale for such reissuance.
    - A copy of existing license or a copy of a license with original investment license or agreement.
    - A copy of license or copy original license of casino business operation.
    - A copy of existing license or a copy with original financial activity permit related to income and expenditure in foreign currency (if any).
    - Documents that certify the lost or tear of the permit (if any).
  - b. Procedures on how to submit documents to the Bank of Lao PDR shall be complied with the provisions of item 2, Article 33 of this Decree.
  - c. Regulations on licensing shall be complied with item 3, Article 32 of this Decree.

- d. Validity of the renewed license shall be based on the remaining time of the original license.
2. Amending of a license.
  - a) An investor may amend the license only under any of the following cases:
    - Change of company's name.
    - Change of the bank qualified to provide financial activities in foreign currencies.
    - Change of foreign currency deposit ratio.
  - b) An investor wishing to amend any content of the license is required to submit two (2) sets of documents to amend the license in person or via post office to the bank where the project is located. The documents shall include:
    - An application for amending a license, in which the application shall contain detailed reasons on such amendment.
    - A certified copy of original license and such license shall still be valid.
    - Documents shall indicate the amended contents according to letter (a), item 2 of this Article (if any).
  - c) Regulations on the submission of documents to the Bank of Lao PDR shall be consistent with item 2, Article 23 of this Decree.
  - d) Regulations on the issuance of licenses shall comply with item 3, Article 32 of this Decree.
  - e) The validity of amended license shall be based on the remaining duration of the original license.
  - f) In case of changing the bank, the licensed business operator shall provide services in foreign currency where the project opens its account, within 5 working days from the date of receiving the amended permit. The investor is required to open a new account and transfer the remaining amount from old account to the new one, or payment is made through foreign currency account. Furthermore, the old account of the investor shall be closed and report to the bank according to the defined procedures.
  - g) Within five (5) working days from the date of receiving the amended permit, the investor shall submit the original license to Bank of Lao PDR.
3. Renewal of permit:
  - A. In case the permit is expired, the investor is required to submit 2 sets of applications for the renewal of a permit in person or through post office to the bank or its branch where the project is located, including:
    - An application for the renewal of a permit.
    - A copy of valid original permit or a copy with original permit that is valid one month and over before applying for the renewal.
    - Other documents as defined under letters a, c, item 1, **Article 33** of this Decree.
  - B. Regulations on the submission of documents to the bank shall be complied with item 2, **Article 33** of this Decree.
  - C. Regulations on the renewal of permits shall be complied with item 3 of this Decree.
  - D. Validity of the permit shall be consistent with the validity of the casino operating license.
  - E. Within five (5) working days as from the date of receiving a renewed permit, the investor shall return the original license back to the Bank.

### **Article 35. Revocation of Permit**

The bank revokes a permit on foreign currency transactions in the following cases:

1. The application contains incorrect information [and] cannot meet the requirements of investment licensing.
2. The investor fails to operate the authorized operations within twelve (12) months from the date of licensing.

3. The enterprise were separated, merged, collapsed pursuant to the laws.
4. The investment license or decision, the casino operating license is revoked by the competent authorities.
5. The enterprise is taken disciplinary action three (3) times and higher regarding to the violation of foreign currency management .

#### **Article 36. Amendment of Permit**

1. Duration of the change continues:

For the enterprise, as defined under item 1, Article 65 of this Decree, financial activities related income and expenditure in foreign currencies may continue to comply with existing documents as approved previously. In case the operations are needed to continue, the investor shall submit documents for the purpose of complying with the existing regulations as provided in existing permit.

2. Documents, proposals, regulations.

A. The investor shall submit 2 sets of documents to apply for a permit in person or via post office to the bank or its branch where the project is located. The documents shall include:

- Proposal.
- A copy of a license or a copy a license with an original investment license or decision.
- A copy of a license or a copy a license with original casino operating license (if any).
- Regulations on internal management and inspection of income and expenditure in foreign currencies on which the authorized representative has signed.
- Documents related to income and expenditure in foreign currency and other foreign currency activities as authorized previously.
- Report on income and expenditure in foreign currencies and activities of other foreign currencies related to casino operations from the date of receiving an approval certificate from the bank.

B. Regulations on submitting documents to the bank shall comply with item 2, Article 32 of this Decree.

C. Regulations on issuing license shall comply with provisions as defined in item 3, Article 32 of this Decree.

### **Part V**

#### **Information, Advertisement and Prize-Award**

#### **Article 37. Provision of Information**

1. The investor is obliged to develop regulations on entry and exit of people into and out of casino business premises and clearly make known the gambling equipment and regulations on disputes resolving at the casino business premises.
2. The investor is obliged to provide information, the number of parties related to casino business activities to the management authorities when needed to facilitate the inspection purposes according to the laws.
3. The investor is obliged to [be responsible for the] calculation [and] [genuineness of] data of the information as publicized and provided.

#### **Article 38. Advertisement**

1. Only enterprises having casino operating licenses as defined in item 1, Article 65 of this Decree are allowed to advertise casino business activities.

2. The advertisement on casino business activities shall comply with the provisions of the Law on Advertisement, in which contents of advertisement include:
  - a. Name and location of enterprise.
  - b. Names of gambling devices/equipment.
  - c. Gamblers permitted to access to casino business premises as defined in Articles 11 and 12 of this Decree.
3. An enterprise operating casino business activities is allowed to conduct advertisements only through the forms of boards, signs in casino business premises, especially at the entry point where it is easy to recognize and to ensure that outsiders shall not see, read and hear. In addition to what have been provided above, the investor is prohibited to advertise an casino business activities in any case.
4. The enterprise operating casino business activities complying with the provisions of Article 11 of this Decree, except for advertisements as defined in item 3 in this article, during the period of permission, the casino business premises allows Lao persons to play at the casino to advertise in a list of games for relaxing gambling that use machines or electronic device at the international airlines or airports.

#### **Article 39. Discount [and] Giving Awards (Promotions)**

Investors are authorized to provide discount, giving prize-awards (promotions) according to the existing Law on Customs and other regulations.

### **Part VI Finance, Accounting and Auditing**

#### **Article 40. Accounting System**

1. Accounting year of the enterprise shall comply with the provisions of the Law on Accounting.
2. The enterprise is not exempted from custom and tax obligations, service charges [and] fees on the import of casino gambling equipment and such obligations, service charges [and] fees shall be paid from the date of starting business operations. Other incentives related to custom, tax obligations, service charges, fees on other investment activities shall comply with relevant laws.
3. The enterprise shall comply its obligations to the state according to existing Laws on Customs and Taxes.
4. The Ministry of Finance shall issue instructions on accounting management that serve casino business activities.

#### **Article 41. Management of Revenue and Customs**

1. The enterprise operating casino business activities shall decorate casino business premises by providing vehicles and decorating equipment that are necessary for the competent authorities, carry out management, monitoring and inspection duties manually or through electronic system and camera surveillance systems (CCTV).
2. Other relevant government sectors carry out monitoring and inspection duties through electronic means (CCTV) in the casino business premises in spots where a transaction of money is located. In addition, such performances shall be recorded and report to the competent authorities.
3. The inspection, calculation of service charges at the cashier, cash-flow areas shall be recorded and tracked directly by electronic equipment or camera surveillance systems (CCTV) by the relevant government officers.

4. The Ministry of Finance shall issue instructions on the management, monitoring, inspection of income, invoices according to the laws and regulations on customs and taxes, and characteristics of casino business activities.

#### **Article 42. Accounting and Reporting Systems**

1. Accounting and reporting systems of the enterprise shall be complied with the laws and regulations of the Ministry of Finance.
2. The enterprise shall separate its accounts into income and expenditure related to casino business activities. In case of income and expenditure accrued from other investments, the enterprise shall comply with the decisions and instructions of the Ministry of Finance.
3. Procedures for reporting its performances, the enterprise shall comply with regulations of the Ministry of Finance.

#### **Article 43. Auditing and Accounting Report System**

1. Accounting report of the enterprise shall be conducted on annual basis.
2. After the end of accounting year, the enterprise shall comply with accounting and financial report obligations as defined in the laws and regulations.

### **Part VII Fines**

#### **Article 44. General Provisions on Violation**

1. Part VII of this Decree defines provisions on the violation on the management, forms, severity of penalties, recovery methods, power on punishments depending on the positions within casino business premises.
2. Other actions violating management duties associate with casino business activities shall be based on the provisions as specified for by such business premises.

#### **Article 45. Forms of Disciplinary Actions and Recovery Methods**

1. Forms of penalties:
  - a) Warning;
  - b) Fines.

Persons violating casino business management regulations shall be fined from 100,000,000 , while legal entity shall be fined 200.000.000.

The level of fines for the administrative violation as defined in this Decree is the level of fine opposed against legal entity, in addition to Article 52 of this Decree is used for [natural] persons.

The level of fines for natural person shall be half the level of fines for legal entity as defined in this Decree.

2. Additional forms of penalty under casino operations include:
  - a) Suspension of business operating license with limited timeframe.
  - b) Confiscation of equipment and vehicles used for committing violation.
3. In addition to penalties as defined in items 1 and 2 of this Decree, in any each case, the level of fines on legal entity, natural person still have one method or recovery methods, including:
  - a) shall recover into the same condition;
  - b) shall re-export or destroy slot machines, gambling tables and gambling devices;
  - c) shall to destroy, delete all falsified documents.

- d) shall adjust information on under report, incomplete or misunderstanding quantities;
- e) shall repay the illegal amount from violation.

#### **Article 46. Violation of Regulations on the Issuance of Casino Operating License**

1. Fine 20.000.000 to 30.000.000 on person deliberately adjusting, altering an application for a license, reissuance, adjustment or renewal of casino operating license.
2. Fine 40.000.000 to 50.000.000 on person deceiving and cheating on application for the issuance, reissuance, amendment and renewal of casino operating license.
3. Additional forms of penalty:  
Suspend casino operating license from three to six months as a result of violating management regulations as stipulated in this Article.
4. Use of violation recovery methods:  
Force to destroy altered, deleted, falsified documents that violating management regulations as defined in this Article.

#### **Article 47. Violations of Provisions on Management, Use of Casino Operating License**

1. Fine 40.000.000 to 60.000.000 on deleting [and] changing documents and adjusting casino operating license.
2. Fine 130.000.000 to 150.000.000 on renting, borrowing and transferring casino operating license.
3. Fine 180.000.000 to 200.000.000 on opening casino business without any authorization, except investors as stipulated in item 1, **Article 65** of this Decree.
4. Additional forms of penalty:
  - a. Suspend casino operating license from three (3) to six (6) months as a result of violating management regulations as stipulated in item 1 of this Article.
  - b. Suspend casino operating license from six (6) to twelve (12) months as a result of violating management regulations as stipulated in item 2 of this Article.
5. Use of violation recovery methods:  
Force to repay the amount that violated all obligations as stipulated in items 2 and 3 of this Article.

#### **Article 48. Violations of Provisions on Decoration of Casino Business Premises**

1. Fine 90.000.000 to 100.000.000 for failing to comply with the provisions on casino business decorations as defined in the laws and regulations.
2. Fine 180.000.000 to 200.000.000 for failing to comply with the provisions on building casino business premises at the designated location as authorized by the relevant sectors according to the laws and regulations.
3. Additional forms of penalty:
  - a. Suspend casino operating license from three (3) to six (6) months as a result of violating management regulations as stipulated in item 1 of this Article.
  - b. Suspend casino operating license from six (6) to twelve (12) months as a result of violating management regulations as stipulated in item 2 of this Article.
4. Use of violation recovery methods:  
Force the investor to improve the decoration of casino business building to meet the requirements as stipulated on laws and regulations and on exact location as authorized.

#### **Article 49. Violations of Provisions on Number of Slot Machines, Gambling Tables and Other Gambles**

1. Fine 130.000.000 to 150.000.000 for operating business activities that is incorrect with the provisions of this Decree.
2. Fine 180.000.000 to 200.000.000 for using gambling equipment and gambling tables more than the permitted number as stipulated in this Decree.
3. Additional forms of penalty:  
Suspend casino operating license from three (3) to six (6) months as a result of violating management regulations as stipulated in this Article.
4. Use of violation recovery methods:
  - a) Force to destroy or re-export the slot machines, gambling tables that are over the authorized quantity, wrong types as stipulated in the laws and regulations.
  - b) Force to repay the amount that earn illegally as stipulated in this Article.

#### **Article 50. Violation on Creating and Announcing Gambling Systems**

1. Fine 60.000.000 to 90.000.000 for concealing gambling systems as stipulated in item 2, Article 10 of this Decree.
2. Fine 100.000.000 to 180.000.000 for creating gambling systems as stipulated in item 1, Article 10 of this Decree.
3. Additional forms of penalty:  
Suspend casino operating license from six (6) to twelve (12) months as a result of violating management regulations as stipulated in item 2 of this Article.  
Suspend on using casino operating licenses between six (6) to twelve (12) months on management violation as stipulated in Item 2 of this Decree.

#### **Article 51. Violations of Provisions on Monitoring, Management of Persons Entering and Exit Casino Business Premises**

1. Fine 90.000.000 to 100.000.000 for failing to keeping records or cards for the purposes of inspection, monitoring of gamblers entering and exist the casino premises.
2. Fine 180.000.000 to 200.000.000 for allowing unauthorized persons to access to the casino premises.
3. Additional forms of penalty:
  - a. Suspend casino operating license from three (3) to six (6) months as a result of violating management regulations as stipulated in item 1 of this Article.
  - b. Suspend casino operating license from six (6) to twelve (12) months as a result of violating management regulations as stipulated in item 2 of this Article.
4. Use of restoring violation processes:  
Force to repay the amount that earn illegally as stipulated in this Article.

#### **Article 52. Violations of Obligations by Gamblers**

1. Give warning to violated gamblers on:
  - a) Non-compliance with gambling rules as developed by the investor;
  - b) Non-compliance with internal regulations of the casino business;
  - c) Non-compliance with management regulations as developed by casino business.
2. Fine 20.000.000 to 30.000.000 for causing unrest, violating safety measures in casino premises.
3. Fine 90.000.000 to 100.000.000 on casino quacking in casino premises.
4. Additional forms of penalty:



Force to repay the amount that earn illegally as stipulated in this Article.

### **Article 53. Violations of Provisions on Currency Management**

1. Fine 40.000.000 to 50.000.000 for the use of banknotes or cheque that is inconsistent with technique as defined in this Decree.
2. Fine 50.000.000 to 70.000.000 for failing to register banknotes or cheques with the relevant sectors according to the regulations.
3. Fine 90.000.000 to 100.000.000 for using banknotes or cheques of other company, or inconsistent with numbers as registered with relevant sectors.
4. Fine 90.000.000 to 100.000.000 for failing to use Lao Kip to exchange for banknotes or cheques and exchange such banknotes or a cheques into Lao Kip in the event of left over or winning prizes for Lao people in the casino premises.
5. Additional forms of penalty:
  - a) Confiscate banknotes or cheques relating to management violations as stipulated in items 1 and 3 of this Article.
  - b) Suspend a casino operating license from three (3) to six (6) months for management violation as stipulated in items 2 and 4 of this Article.

### **Article 54. Violations of Provisions on the Management of Slot Machines, Gambling Tables and Gambling Equipment**

1. Fine 40.000.000 to 50.000.000 for failing to open recording book on gambling machines.
2. Fine 60.000.000 to 70.000.000 for illegally importation of protection and control devices.
3. Fine 90.000.000 to 100.000.000 for providing services of slot machines, gambling tables inconsistent with the provisions under Article 16 of this Decree.
4. Additional forms of penalty:

Confiscate gambling machines, tables and gambling devices violating management regulations as specified in items 2 and 3 of this Article.
5. Use of violation recovery methods:

Force to repay on violation in all obligations as stipulated in Item 2 and 3 of this Decree.

### **Article 55. Violations of Provisions on Internal Control, Management and Business Administration**

- 1) Fine 40.000.000 to 50.000.000 for failing to develop internal management system.
- 2) Fine 90.000.000 to 100.000.000 for failing to develop internal audit system as stipulated in the law.
- 3) Fine 180.000.000 to 200.000.000 for appointing additional casino business managers more than the law allows.
- 4) Additional forms of penalty:

Suspend the casino operating license from 6 to 12 months for violating the management regulations as stipulated in item 3 of this Article.

### **Article 56. Violations of Provisions on Paying Prizes and Prize Winning Certificates**

- 1) Fine 10.000.000 to 20.000.000 for deliberately and unreasonable delay payment of paying winning prizes to winners.
- 2) Fine 90.000.000 to 100.000.000 for certifying winning amount to wrong targets or wrong amount of winning prizes .
- 3) Additional forms of penalty:

Suspend the casino operating license from 3 to 6 months for violating management regulations as stipulated in item 2 of this Article.

4) Use of violation recovery methods:

- a) Force to pay winning prizes as claimed by the gamblers and as provided in the slot machine system.
- b) Force to withdraw a certificate on prize winning as a result of management error as stipulated in item 2 of this Article.

**Article 57. Violations on Providing Information**

- 1) Fine 40.000.000 to 50.000.000 for announcing [and] providing incomplete [and] unclear information.
- 2) Recovery methods  
Force to update information that has been announced and provided.

**Article 58. Violations on Price Discount, Lucky Draw and Accounting Management System**

- 1) Fine 60.000.000 to 70.000.000 for noncompliance with the regulations on financial management system as provided by relevant agencies.
- 2) Fine 90.000.000 to 100.000.000 for failing to comply with the provisions on discount, lucky draw as defined in this Decree.
- 3) Enforcement of recovery methods:  
Force to repay obligations caused by violating the provisions of this Article.

**Article 59. Power to Take Administrative Actions and Power in Recording Management Violations**

1. The auditor authorized to conduct audit have the rights to give warning [and] impose fine.
2. Audit office of the department has rights:
  - a) To give warning;
  - b) Fine up to 50.000.000;
  - c) Seize equipment, vehicles used for committing administrative violations that the value is not greater than amount of fine as stipulated in letter (b), item 2 of this Article.
  - d) Apply recovery methods as stipulated in the item 3, Article 45 of this Decree.
3. Head of Audit Committee of Finance Sector has rights:
  - a) To give warning;
  - b) Fine up to 140.000.000;
  - c) Seize equipment, vehicles used for committing administrative violations that the value is not greater than amount of fine as stipulated in letter (b), item 3 of this Article.
  - d) Apply recovery methods as stipulated in the item 3, Article 45 of this Decree
4. Head of Permanent Secretary Office, Ministry of Finance has rights:
  - a) To give warning;
  - b) To fine up to 200.000.000;
  - c) To suspend the casino operating license by giving deadline as required by this Decree;
  - d) To seize equipment, vehicles used for committing administrative misconduct.
  - e) To apply recovery methods as stipulated in item 3, Article 45 of this Decree.
5. To have authority to impose fine as stipulated in this Article applies to legal entity, while the level of fines for natural person is 1/2 times as for legal entity.

6. In addition to authority to impose fines as stipulated on items 1, 2, 3 and 4 of this Article, authorities to have power to impose fines for violation of management regulations may depend on the province, police as defined in the laws on the consideration of management violations, in case of the roles, assigned duties found management misconduct that is under the supervision of this area or the local administration shall implement as prescribed of this Decree.
7. In the event the management violation is found, the management authority as defined in this Article shall take immediate actions as defined in this Decree and related laws on administrative fines.

## **Part VIII Tax Compliance**

### **Article 60. Tax Compliance**

The tax compliance of the none casino and slot machine businesses shall be complied with on tax laws and related regulations.

### **Article 61. Tax Compliance of Casino and Slot Machine Businesses**

Casino betting business and slot machine club shall be taxed under special lump sum tax which is calculated by progressive rates according to classes of the number of the gambling tables as specified in the table below:

The number of gambling tables apply special lump sum tax (US Dollars)

- a) **Class 1** normal gambling table without VIP gambling table shall pay tax 3.000.000 (three million USD)
- b) **Stage 2** over forty normal gambling tables and/or twenty VIP gambling tables or lower shall pay tax 4.000.000 (four million USD)
- c) **Stage 3** over sixty normal gambling tables and/or twenty to thirty VIP gambling tables or lower shall pay tax 6.000.000 (six million USD)
- d) **Stage 4** over sixty normal gambling tables and/or over sixty VIP gambling tables or lower shall pay tax 8.000.000 (eight million USD)

## **Part IX Management, Monitoring, Inspection**

### **Article 62. State Management on Casino Business**

1. **The government centrally manages** casino businesses and promulgates policy on casino business improvement.
2. The government:
  - a) Develops principles, policy, promulgate the laws and regulations and the most desirable form as to manage casino operations according to the provisions of this Decree and the provisions of related laws.
  - b) Approves the amount of gambling machines [and] tables and adjusts the number of gambling machines and tables at the service, tourism and recreation areas as defined in Articles 8 and 9 of this Decree.
  - c) All provisions associated with the casino business activities as defined in this Decree and provisions of the laws.

3. The Ministry of Finance implements the government's decision on the management of casino operations, including:
  - a) Research [and] develop policy [and] management committee on casino business and develop instructions to implement regulations related to casino operations.
  - b) Provide comments to investment sector on the number of gambling devices [and] tables for the service, tourism complex zones that provide casino services as defined in Article 8 of this decree.
  - c) Guide [and] coordinate with the ministries, relevant sectors to summarize, evaluate and study on the consideration and permission for Lao individuals to play gambling in the casino premises as defined in Article 13 of this Decree.
  - d) Issue licenses, reissue of licenses, revise, renew and withdraw casino operating licenses as stipulated in this Decree.
  - e) Inspect and monitor and consider actions violating the law on casino business activities as stipulated in this Decree.
  - f) Implement other roles as stipulated in the laws.
4. Ministry of Planning and Investment
  - a) Guide [and] cooperate with the ministries, relevant sectors to report to the Prime Minister, the Government to consider the issuance of licenses of the service project, tourism complex that provides casino business activities as stipulated in Article 13 of this Decree.
  - b) Cooperate with the Ministry of Finance in research, provide comments on licensing, reissuing of licenses, revision, renewal and withdrawal of casino operating licenses as stipulated in this Decree.
  - c) Cooperate with ministries, relevant sectors of the central and local levels for the purposes of management, monitoring of casino business activities.
  - d) Comply with obligations as stipulated in the laws.
5. Ministry of Public Security
  - a) Perform duties on safety, public order related to casino business activities.
  - b) Issue or propose to higher level to issue, revise, amend implementing regulations of the laws, instruct [and] inspect the implementation of implementing regulations of laws to ensure peace, safety, public order in casino business activities.
  - c) Guide [and] cooperate with related sectors, organizations [and] related persons to prevent, stop offences related to money laundering in casino business activities as stipulated in the laws.
  - d) Guide, cooperate with related sectors, organizations [and] related persons to prevent [and] stop illegal gambling activities in casino business activities as stipulated in the laws.
  - e) Cooperate with the Ministry of Finance on researching, issuing, reissuing, reviewing, renewal and withdrawal of licenses in casino business activities as stipulated in this Decree.
  - f) Cooperate with ministries, related sectors at the central and local levels to manage, monitor [and] inspect casino business activities.
  - g) Comply with obligations as stipulated in the laws.
6. Ministry of Ministry of Information, Culture and Tourism
  - a) Instruct [and] inspect the management, design of gambling machines, tables, chips (money) and gambling equipment to ensure accuracy, conformity with national culture as stipulated in the laws.

- b) Cooperate with the Ministry of Finance in researching, issuing, reissuing, revising, renewal and withdrawal of licenses in casino operations as stipulated in this Decree.
- c) Cooperate with the ministries, related sectors at the central and local levels to manage, monitor [and] inspect casino business activities.
- d) Comply with obligations as stipulated in the laws.
- 7. Ministry of Post and Telecommunications
  - a) Guide business units to supply internet services, business units to supply internet network and stop online gambling.
  - b) Cooperate with the Ministry of Public Security and ministries, relevant sectors to stop supplying online gambling services via internet from overseas and in the country.
  - c) Comply with obligations as stipulated in the laws.
- 8. Bank of the Lao PDR
  - a) Issue, reissue, revise, renew and withdraw permit in casino operations related to income and expenditure in foreign currencies in casino operations as stipulated in this Decree.
  - b) Comply with revenue management regulations, use foreign currencies in casino business enterprise as stipulated in the laws.
  - c) Cooperate with the Ministry of Finance in researching, providing comments on the issuance, reissuance, amendment, renewal and withdrawal of licenses on casino operations as stipulated in this Decree.
  - d) Cooperate with related sectors, organizations, related persons to implement all forms of prevention, stop money laundering in casino business activities as stipulated in the laws.
  - e) Cooperate with ministries, related sectors at the central and local levels to manage, monitor [and] inspect casino business activities.
  - f) Comply with obligations as stipulated in the laws.
- 9. Ministry of Industry and Commerce
  - a) Manage promotion activities of casino business as stipulated in the laws.
- 10. Ministry of Labor and Social Welfare
  - a) Manage of employees working at the casino business as stipulated in the laws.
- 11. [Vientiane] Capital [and] Provinces
  - Cooperate with the Ministry of Finance in researching, issuing, reissuing, revision, renewal and withdrawal of licenses on casino operations as stipulated in this Decree.
  - Manage, monitor [and] inspect casino business activities under their jurisdiction to ensure full compliance, consistency with the provisions of this Decree and the laws.
  - Guide relevant sectors under Vientiane Capital and province to manage, monitor, and inspect casino operations under their jurisdiction to ensure that it operates on regular and continuous basis.
  - Comply with obligations as stipulated in the laws.

## **Article 63. Inspection and Investigation**

- 1. The inspection and investigation duties of the state authorities shall be performed regular and timely basis. The inspection and investigation duties shall be carried only when it indicates that the enterprise violates the law, based on application for resolution, complaint, prevention, stop corruption by designated state authority.

2. [Vientiane] Capital, province carry out annual inspection on casino business activities for conformity with the provisions related to casino operations of the enterprise. The regular inspection is one time per year per enterprise.
3. The Ministry of Finance guides [and] cooperates with the Ministry of Planning and Investment, Ministry of Public Security, Ministry of Information, Culture and Tourism, other ministries [and] relevant sectors under [Vientiane] Capital and province where the project is located to carry out regular inspection every two (2) years to review the capacity to continue or withdraw the casino operating license of the enterprise or propose to the government for consideration, to comply with the laws. Contents of the inspection consisted of the followings:
  - a) Inspect the implementation of activities according to the requirements of business operating license as stipulated in letters (a), (b), (c), item 1, Article 24 of this Decree.

For enterprises as stipulated in item 1, Article 65 of this Decree, to inspect the implementation of casino business operation requirements of the relevant sectors as defined in the laws.
  - b) Inspect the implementation of provisions on casino operations as stipulated in this Decree. This includes:
    - the management of gambling machines, chips, gambling devices.
    - the management of persons permitted to play gambles, persons permitted to access to the casino business premises.
    - the implementation of internal management, inspection, financial rules and gambling systems.
    - the management of foreign currency and the compliance with money laundering protection and interception provisions;
    - the compliance with finance, accounting, auditing rules [and] payment of obligations to the State.
4. The Ministry of Finance, [Vientiane] Capital, provinces and the Ministry of Public Security, from the Capital and province and higher level shall make decision on urgent inspection in the event that the operations of enterprise violate the provisions related to the permission of persons to pay gambles to ensure security, safety or in case of there is a source or complaint on offenses associated with the enterprise.
5. Inspection [and] investigation on the compliance with the customs and tax obligations of the enterprise according to the provisions of tax and customs laws.

#### **Article 64. Rights and Power of Competent Authorities**

In the implementation of duties on the management, inspection [and] investigation of Casino project, the relevant sectors as stipulated in this Decree shall have the following rights:

1. Closely monitor casino businesses.
2. Require enterprises, related individuals to provide documents, information for the purposes of management, inspection [and] investigation.
3. Require enterprises to partly or wholly suspend casino operations in the event that related authorities has full evidence that the enterprise violates core regulations, the provisions of laws and shall notify in written to authorities issuing licenses for acknowledgement to jointly research, inspect [and] investigate the compliance.

## **Part IX Implementation**

### **Article 65. Implementation**

1. For the enterprise having an investment license that has casino business activities, prior to this Decree enters into force, and has carried out casino operations according to the casino operating license, in case necessary, the enterprise file application for casino operating license according to the following regulations:
  - a) Application for casino operating license, including:
    - Application form for casino operating license.
    - A copy of valid investment license that specified casino business activities and amended investment license (if any) or a copy of investment license with original (official seal) license.
    - Documents as stipulated in items 4, 5, 6 and 7, Article 26 of this Decree.
  - b) The enterprise shall submit a set of documents to apply for a casino operating license to the Ministry of Finance within fifteen days from the date of receiving complete document according to the regulations, the Ministry of Finance shall consider the documents to issue a casino operating license. This includes
    - The number of gambling machines, tables as specified in the investment license. In the event the investment license did not stipulate the number of gambling machines [and] tables, the relevant authorities shall determine according to the provisions of this Decree.
    - The location of casino premises of enterprise shall be complied with the investment license.
    - Validity of the casino operating license is the remaining period of casino operations as specified in the investment license.
2. For the enterprise that its investment license includes casino business activities prior to adopting this Decree and has not yet carried out casino business activities, prior to casino operations, the enterprise shall prepare documents and apply for a casino operating license according to the regulations:
  - a) Requirements for the issuance of a casino operating license include:
    - Valid investment license that include casino business activities.
    - Comply with requirements of casino operating license as stipulated in the investment license. In case the investment license did not specify casino business operating requirements, the enterprise shall comply with the requirements as stipulated in letters (a), (b), (c) and (d), item 1, Article 25 of this Decree.
  - b) Supporting documents for casino operating license consisted of:
    - Letter of Intention to apply for a casino operating license.
    - A copy of valid investment license, including casino business activities and amended investment license (if applicable).
    - Certified documents on the compliance with requirements as stipulated in the investment license (if applicable). In the event that the investment license did not stipulate the requirements on casino operations, the enterprise shall comply with the procedure as stipulated in item 3, Article 25 of this Decree.
    - Documents as stipulated in items 4, 5, 6 and 7, Article 26 of this Decree.

- c) Procedures on the issuance of casino operating licenses shall be complies with items 1, 2, and 3, Article 26 of this Decree.
- d) Contents for consideration.

Based on provisions under this Decree and the relevant provisions of the laws, the Ministry of Finance and relevant sectors as stipulated in item 3, Article 26 of this Decree shall review the documents that they are consistent with the provisions in letters (a), (b) of this Article.

- The number of gambling machines [and] tables as stipulated in the investment license. If the investment license did not stipulate such number, relevant sectors shall determine or register with competent authorities prior to this Decree enters into force.
- The location of casino premises has been stipulated in the investment license.
- The validity of business operating license shall be the validity of effective investment license.

#### **Article 66. Effectiveness**

1. This Decree enters into force on .....
2. The Minister of Finance shall guide, cooperate with other ministries, relevant sectors to instruct the implementation of this Decree.
3. Ministers, Prime Minister, Head of ministry-equivalent authorities, the Governors of [Vientiane] Capital [and] provinces, and organizations, relevant individuals shall comply with this Decree.

**Prime Minister**