



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Bank of Lao PDR

No: 963/BOL

Vientiane Capital, dated: 27 November 2015

Decision
On the Reporting of Wire Transfers in exceeding the specified limit

- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorisms, No: 50/NA, dated 21 July 2014;
- Pursuant to Decree on the Implementation and Function of the National Coordination Committee on Anti-Money Laundering and Counter-Financing of Terrorism, No. 364/PM, dated 13 October 2014;
- Pursuant to the Request by the Anti-Money Laundering Information Unit, No:1026 /AMLU, dated 07 September 2015.

The Governor of Bank of Lao PDR issues this decision:

Chapter I
General Provisions

Article 1 Objective

The objective of the issuance of this decision is to expand on Article 27 and 30 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism, to advise and be a reference for Reporting entities to be able to identify, collect information and report on wire transfers which exceed specified amounts to the Anti-Money Laundering Intelligence Office (AMLIO).

Article 2 Wire Transfers in exceeding the specified limit

Wire transfers are the electronic transfer of funds as specified in Article 8 Point 19 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) both domestically and internationally in a form of payment which is numbered or has reference symbols (Serial Payment) and payments with reference documents (Cover Payment).

Wire transfers in exceeding the specified limit are wire transfers equaling 8,000,000 kip or more per instance, as specified by the AMLIO periodically.

Article 3 Definitions

The terms used in this decision have meanings as follows:

- 1. Financial institution means** financial institutions as specific in Article 8 Point 7 of the Law on AML/CFT that provide a wire transfers service both domestically and internationally;
- 2. Cross-border wire transfer means** wire transfers where the ordering financial institution and the beneficiary financial institution are in different countries or passing through multiple places in different countries;
- 3. Domestic wire transfer means** wire transfer where the ordering financial institution and the beneficiary financial institution are in the same country;
- 4. Ordering Financial Institution means** a financial institution which originates a wire transfer or transfers when receiving wire transfer request in the name of the origin transfer;
- 5. Intermediary Financial Institution means** one or more financial institutions which carries out wire transfer duties on behalf of the ordering financial institution and on behalf of the beneficiary financial institution;
- 6. Beneficiary Financial Institution means** a financial institution which receives wire transfers from ordering financial institutions directly or through an intermediary financial institution for disbursing funds to the recipient;
- 7. Originator means** individuals, entities, or organizations which have the ordering financial institution initiate a wire transfer by authorizing that transferred funds are deducted from their account or presenting cash to the ordering financial institution to initiate the funds transfer to beneficiary;
- 8. Beneficiary means** individuals, entities, or organizations that the originator has identified as the recipient;
- 9. Serial Payment means** the payment of funds per the wire transfer order message and payment order message from the ordering financial institution directly to the beneficiary financial institution or perhaps passing through one or more intermediary financial institutions;
- 10. Cover Payment means** a wire transfer which includes a payment order message or a direct wire transfer and has documents attached to the wire transfer order from the ordering financial institution to the beneficiary financial institution or perhaps passing through one or more intermediary financial institutions;
- 11. Unique transaction reference number means** a group of numbers, letters, or symbols combined together in a message specified by the payment provider in order to be a reference in the payment of money or the payment of debt to the beneficiary.

Article 4 Scopes

This decision is for reporting entities that are financial institution as specific in Article 8 Point 7 of the Law on AML/CFT that provide a wire transfers service which under bank of Lao PDR supervision.

Chapter II

Data Collection on Wire Transfers

Article 5 Data Collection on wire transfers

Financial institutions which carried out both domestic and cross-border wire transfers must ensure that the wire transfers have adequate information as below:

1. Origination Wire Transfer Information:

Individuals, legal entities, Organizations:

- Name of originator;
- Current address (village, district and province) or ID card number, passport number or date of birth and place of birth or date of establishment or other document which may identify the client;
- Account number (in the event that an account is used for wire transfer);
- Objective of wire transfers;
- Amount and Currency of wire transfers;
- And other necessary information.

2. Beneficiary information:

Individuals, legal entities or organizations:

- Name of beneficiary;
- Current address (village, district and province) or ID card number, passport number or date of birth and place of birth or date of establishment or other document which may identify the client;
- Account number of beneficiary (in the event that an account is used to receive funds);
- And other necessary information.

In the event that an account is not used in a wire transfer, the ordering financial institutions must collect a transaction reference number.

Chapter III

Responsibilities

Article 6 Responsibilities of the Ordering Financial Institutions

The ordering financial institutions must ensure that the wire transfer has adequate information of the originator and beneficiary as defined in Article 5 of this decision.

The ordering financial institutions must ensure that the wire transfer below the specified value as defined in Article 2 of this decision has the name of the originator, the name of the beneficiary, account number or transaction reference number of both parties.

The ordering financial institutions must keep information on the originator and beneficiary as specified in Article 28 of the Law on AML/CFT.

Article 7 Responsibilities of the Beneficiary Financial Institutions

The beneficiary financial institutions which have inadequate wire transfers information as defined in Article 5 of this decision on the originator or the beneficiary must use appropriate measures on monitor after the wire transfers or monitor during the wire transfers and must follow Article 27 of the Law on AML/CFT.

In the event that a wire transfer has adequate information but not yet examined or verified before, then the beneficiary financial institutions should examine and verify the beneficiary and keep information per Article 28 of the Law on AML/CFT.

The beneficiary financial institutions must have policies and procedures on effective implementing risk assessment and risk based management principles in order to consider circumstances when denial and dissolve of wire transfers should occur or in order to specify measures in appropriate monitoring.

Article 8 Responsibilities of Intermediary Financial Institutions

The intermediary financial institutions must collect information on the originator and the beneficiary together with wire transfer. In the event that information is limited due to a technical issue must keep all information that receives from the ordering financial institutions as defined in Article 28 of the Law on AML/CFT.

Intermediary financial institutions which carried out cross-border wire transfers without inadequate information on the originator or the beneficiary as specified in Article 5 of this decision, the intermediary financial institutions must follow Article 27 of the Law on AML/CFT.

Intermediary financial institutions must have policies and procedures on effective implementing risk assessment and risk based management principles in order to consider circumstances when denial and dissolve of wire transfers should occur or in order to specify measures in appropriate monitoring.

Chapter IV

Reporting obligation, Exceptions and Measures against Violators

Article 10 Reporting obligation

Financial institutions must collect all data of wire transfer transactions which exceed the value specified in Article 2 of this decision. In the event that the information of wire transfers has a cause for a suspicion to money laundering and financing of terrorism, then financial

institutions must report to the AMLIO as immediately upon request.

Article 11 Exceptions

A wire transfers in exceeding the specified limit is not needed for payment of goods or services of individuals, legal entities or organizations through credit cards, debit cards, and other cards that can use for Electronic payment such as: tax, duty or other obligation payment cards and no needed for a wire transfer transactions of financial institutions that relate to their business.

In the event that credit cards or debit cards in the wire transfer between from one individual to another individual must be followed the Article 5, 6 and 11 of this decision.

Article 12 Confidentiality

The information that provided for Anti-money Laundering Intelligence Office of wire transfers in exceeding the specified limit must remain confidential as specified in Article 32 of the Law on AMLIO.

Article 13 Measures against violators

Reporting entities or other relevant persons who conduct actions which violate this decision will be warned and fined as specified in Article 65 of the Law on AML/CFT.

Chapter V Final Provisions

Article 14 Implementation

Reporting entities, relevant departments within BOL have to be aware and implement this decision effectiveness.

Article 15 Effectiveness

This decision is effective from the date of signature onward.

The Governor of Bank of Lao PDR