



Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity  
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The Bank of the Lao PDR

No: 45 /BoL  
Vientiane Capital, dated: 15 Jan 2016

## **Agreement On the Provision of Additional Information by Financial Institutions**

- Pursuant to the Law on the Bank of the Lao PDR, no: 05/NA, dated 14 October 1999;
- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorism, no: 50/NA, dated 21 July 2014;
- Pursuant to the Decree on Microfinance Institutions, no: 460/G, dated 3 October 2012;
- Pursuant to the Prime Ministerial Decree on Rental Credit, no: 11/PM, dated 18 February 1999;
- Pursuant to the Prime Ministerial Decree on Pawn Shops, no: 10/PM, dated 02 February 2002 and the Instructions to Implement the Prime Ministerial Decree on Pawn Shops, no: 01/BoL, dated 09 January 2003;
- Pursuant to the Agreement on the Management of Credit and Savings Unions, no: 03/BoL, dated 20 June 2008;
- Pursuant to the Conditions and Compilation of Documentation to Operate a Business, no: 154-159/DFIM, dated 17 February 2012 and no: 1038/DFIM, dated 24 July 2014;
- Pursuant to the Research and Proposal of the Department of Financial Institution Management.

**The Governor of the Bank of the Lao PDR issues these regulations:**

### **Section 1 General Provisions**

#### **Article 1 Objectives**

This agreement specifies principles, measures, procedures for reporting on sources of funds, shareholders structures and actual beneficiaries which are individuals, legal entities or organizations both domestic and foreign which request to operate a financial institution and which have received a license to operate a financial institution from the Bank of the Lao PDR in import sources of funds, informing sources of funds and actual beneficiaries that are correct per regulations and able to be verified.

#### **Article 2 Scope**

This agreement is for use with individuals, legal entities or organizations both domestic and foreign which have the objective of requesting or have already received a business operations license from the Bank of the Lao PDR as a microfinance institution, non-deposit taking microfinance institution, credit and savings union, microfinance

project, rental credit company, pawn shop and rapid international money transfer company.

## **Section 2**

### **Additional Conditions in the Request of Business Operations Licenses for Financial Institutions**

#### **Article 3 Request of Business Operations Licenses**

Individuals, legal entities or organizations both domestic and foreign which have the objective of requesting a business operations license for a financial institution must fulfill conditions and compile documentation as specified in the Conditions and Compilation of Documentation to Request a Business Operations License, no: 154-159/DMFT, dated 17 February 2012 and no: 1038/DMFT, 24 July 2014. In addition to this, more documentation must be compiled as follows:

1. Documents to verify the sources of registered capital and detailed, clear shareholder structure of individuals, legal entities or organizations both domestic and foreign. For foreign investors, an approval of foreign investment must be provided from the relevant authority in that country;
2. In the event that the requestor of a business operations license is a legal entity or an organization, there must be a resolution from a meeting of shareholders to appoint a representative of the shareholders.
3. A declaration of and documents sufficient to be able to evidence beneficial ownership of controlling shareholders.
4. A declaration and documents evidencing that they are fit and proper, that is criminal history, details of any association with known criminals (domestic or foreign) and any adverse findings by a supervisory or regulatory authority for controlling shareholders and their beneficial owners and senior management.
5. The changing of senior management of micro finance must be approved from Bank of the Lao PDR.
6. Other information as specified by the Bank of the Lao PDR both clearly and in detail.

#### **Article 4 Revealing Actual Beneficiaries and Sources of Funds**

The Bank of the Lao PDR will search for information itself and verify sources of fund and actual beneficiaries in order to confirm the correctness of the sources of funds, individuals, legal entities or organizations which request an operating license for a financial institution.

#### **Article 5 Monitoring and Verifying Information on Sources of Funds and Actual Beneficiaries**

After the financial institution has received a business operations license, the Bank of the Lao PDR will closely monitor and verify information which is appropriate in order to periodically confirm the fit and proper details of owners and senior management, correctness of sources of funds, shareholder structure and beneficial owners.

## **Article 6 Storing Information**

The Bank of the Lao PDR must have a system for storing information on requests for business operations licenses and information on monitoring and verifying financial institutions as specified in relevant laws and regulations.

## **Section 3 Measures for Violators**

### **Article 7 Measures for Violators**

Violators of this agreement will face measures as specified in the Law on Anti-Money Laundering and Counter-Financing of Terrorism, other relevant laws and regulation of the Lao PDR and per specifications of the Bank of the Lao PDR issued periodically.

Violators who fail to make a truthful declaration and provide required information according to article 3 of this regulation will not allow to conduct business.

## **Section 4 Final Provisions**

### **Article 8 Implementation**

The Department of Management of Financial Institutions, relevant departments of the Bank of the Lao PDR, regional branches of the Bank of the Lao PDR must be informed and strictly implement this agreement per their scope of rights and duties.

Financial institutions which request business operations licenses, both before this agreement is issued, must strictly implement the conditions as specified in this regulation and other relevant laws and regulations.

### **Article 9 Effectiveness**

This agreement is effective 15 days after being published in the Official Gazette.

## **The Governor of the Bank of the Lao PDR**

[Seal and signature]

**Mr. Somphao PHAYSITH**