

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Bank of the Lao PDR

No.:454/BOL
Vientiane Capital, dated 30 May 2019

**Decision on Opening Bank Accounts, Money Transfer and Carrying
Cash In and Out of Lao PDR**

- Pursuant to the Law on the Bank of Lao PDR (Revised), No. 47/NA, dated 19 June 2018;
- Pursuant to the Law on Foreign Exchange Management, No. 55/NA, dated 22 December 2014;
- Pursuant to the research and proposal by Monetary Policy Department.

The Governor of the Bank of Lao PDR hereby issues a decision:

Chapter 1
General Provisions

Article 1. Objectives

This Decision defines the principles, regulations and procedures involving opening bank accounts, money transfer and bringing cash in and out of Lao PDR in order to implement the Law on Foreign Exchange Management, aiming at ensuring transactions of both domestic and foreign individuals, legal entities and organizations are consistent with the laws and regulations of Lao PDR, contributing to effective management of foreign exchange.

Article 2. Opening Bank Account

Opening a bank account is the act of depositing money in a commercial bank, where the commercial bank shall issue a bank account number to the depositor to proceed transactions involving the deposit, withdrawal, transfer of money or other transactions which the bank provides. The types of bank accounts include Current Account, Saving Account, Fixed Account and other types of bank accounts as provided by the bank.

Article 3. Money Transfer and Carrying Cash In and Out of Lao PDR

Money transfer is the act of transferring cash in and out of Lao PDR by both domestic and foreign individual, legal entity and organization to accommodate payments involving trade and investment and other transactions which are carried out through banking system.

Carrying cash in and out of Lao PDR is the movement or transfer of Lao Kip and/or foreign exchange from a foreign country into Lao PDR and from Lao PDR to another country through international checkpoint.

Article 4. Scope of Application

This Decision applies to both domestic and foreign individuals, legal entities and organizations that open bank account and use the bank account, transfer of money and carrying cash in foreign currency in and out of Lao PDR.

Chapter 2

Opening Bank Account in Lao PDR and Overseas

Article 5. Opening Bank Account in Lao PDR

Residents and non-residents in Lao PDR wishing to open bank accounts in Lao PDR shall submit documents for opening a bank account with the commercial bank depending on each of the following cases:

1. Opening a Lao Kip bank account shall submit the following documents:
 - a. Resident of Lao PDR
 - A prescribed application form for opening a bank account of commercial bank;
 - A copy of ID card or the family registration book (for a Lao national);
 - A copy of passport (for a foreigner working in Lao PDR);
 - A copy of enterprise registration certificate or investment license (for legal entity).
 - b. Non-resident of Lao PDR
 - A prescribed application form for opening a bank account of commercial bank;
 - A copy of passport (for foreigner);
 - A copy of certified document or a construction contract (for foreign legal entity).
2. Opening a foreign exchange bank account shall submit the following documents:

- a. Residents of Lao PDR
 - a prescribed application form for opening a bank account of commercial bank;
 - A copy of ID card or family book (for Lao national);
 - A copy of passport (for foreigner working in Lao PDR);
 - A copy of enterprise registration certificate or investment license (for legal entity).
- b. Non-resident of Lao PDR
 - A prescribed application form for opening a bank account of commercial bank;
 - A copy of passport (for foreigner);
 - A copy of certified document or a construction contract (for foreign legal entity)
3. Opening a foreign exchange bank account that is exclusively accommodate foreign payment shall submit the following documents:
 - A prescribed application form for opening a bank account of commercial bank;
 - A copy of related business operating license;
 - A copy of enterprise registration certificate or investment license;
 - A copy of the annual tax payment certificate.

The commercial bank shall use its discretion to consider the opening of bank account for its customer on the customer learning basis. In addition to documentation as specified in items 1-3 of this Article, the commercial bank may require other related documents related to opening of bank account when the information provided is insufficient for consideration.

Article 6. Use of Money in Bank Accounts in Lao PDR

The residents of Lao PDR may deposit Lao Kip and foreign exchange from legitimate sources in their accounts with the commercial bank in Lao PDR, where money in such account may be withdrawn and receive interest according to the type of bank account opened with the commercial bank.

The non-residents of Lao PDR may transfer foreign exchange or carry cash from legitimate sources into Lao PDR in order to open a bank account in Lao Kip or foreign exchange with commercial bank in Lao PDR, where money in such account may be withdrawn and receive interest according to the type of their bank account opened with the commercial bank. For Lao Kip bank account which is exchanged from foreign exchange may be exchanged back to foreign currency.

For foreign exchange bank account that is exclusively accommodate foreign payments, foreign exchange may be deposited into such account directly or foreign currency from the exchange may be deposited in such account, which such account may be exclusively used for overseas payments.

Article 7. Opening Bank Accounts Overseas

Residents of Lao PDR wishing to open bank accounts overseas shall submit the documents for opening bank accounts overseas with the Monetary Policy Department of the Bank of Lao PDR according to each of the following objectives:

1. A prescribed application form of the Bank of Lao PDR;
2. A copy of enterprise registration certificate or investment license;
3. A business operating license issued by related sector;
4. A copy of the annual tax payment certificate.
5. A bank statement or a statement of secondary account;
6. Related documents according to each objective to open a bank account overseas as stipulated in items a to d below:
 - a. Transit businesses, especially land, air, water transport services, postal, insurance, tourism services, export of labor and overseas project contracts shall submit the following documents:
 - A copy of overseas project contract (in case overseas project is awarded);
 - Certified document related to overseas income (in case of cross-border transport, postal, insurance, tourism or export of labor).
 - b. Accommodate and pay overseas loan and commercial credit.
 - A copy of overseas loan agreement or overseas commercial credit as issued by the Bank of Lao PDR.
 - c. Establish a branch or representative office overseas as approved by concerned authority;
 - A copy of a license to open overseas branch or representative office issued by relevant sectors of Lao PDR.
 - d. Investment Overseas
 - A copy of a license to invest overseas issued by the Ministry of Planning and Investment;
 - A copy of license for investment overseas issued by relevant agency of the host country of investment or joint-venture agreement with foreign company as certified by relevant sector.

Article 8. Consideration of Opening Overseas Bank Accounts

The bank of Lao PDR shall research and consider the opening of overseas bank accounts for residents of Lao PDR that are not stipulated in items (a) to (d) of Article 7, in which the applicant shall submit documents related to the objectives of opening the bank account and other documents as deemed necessary by the Bank of Lao PDR, where the objectives of opening overseas bank account shall be in consistent with the applicable laws and regulations.

The bank of Lao PDR shall research and notify results of the consideration within 10 working days from the date of receipt complete and accurate application. Individuals, legal entities and organizations who are authorized to open overseas bank account shall pay service charges for review of documents 100.000 Kip per time.

Persons who are authorized to open overseas bank accounts shall report transactions of their bank accounts to the Bank of Lao PDR on monthly basis.

Overseas bank accounts of legal entities who are not commercial banks and financial institutions are authorized to open only current accounts.

Commercial banks and financial institutions located in Lao PDR wishing to open overseas bank accounts shall submit applications to the Commercial Bank Supervision Department and Financial Institution Department according to applicable laws and regulations.

Chapter 3

Money Transfer and Carrying Cash In and Out of Lao PDR

Article 9. Transfer of Foreign Exchange to Lao PDR

Residents and non-residents of Lao PDR may transfer unspecified amount of foreign exchange to Lao PDR to their bank accounts opened with commercial bank in Lao PDR and shall comply with relevant laws and regulations.

Article 10. Transfer of Foreign Exchange from Lao PDR

Residents and non-residents of Lao PDR wishing to transfer foreign exchange from Lao PDR shall submit accurate and complete documents to request for transfer of money with the commercial bank depending on each of the objectives:

1. Transfer money from Lao PDR at the amount not exceed 100 million Kip shall submit the following documents:
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of ID card or passport.

In case the transfer of money from Lao PDR at the amount not exceed 100 million Kip has the objectives as mentioned in items 2 to 7 of this Article, complete and accurate documents as stipulated for each objective for the transfer of money from Lao PDR shall be submitted to the commercial bank.

2. The transfer of money for the payment of imported goods shall submit the following documents:
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of invoice issued by the overseas supplier of goods or provider of services;
 - A copy of detailed custom declaration form (in case goods have already been imported);
 - A copy of enterprise registration certificate and investment license.
3. Transfer of money for the payment of service fees related to imported goods, especially shipping, insurance, transit warehouse and other service fees shall submit the following documents:
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of freight forwarder contract (in case payment of shipping fee);
 - A copy of insurance contract (in case payment of insurance fee);
 - A copy of receiving goods into warehouse (in case payment warehouse);
 - A copy of enterprise registration certificate and investment license.
4. Transfer of money for the payment of overseas loan or trade credit shall submit the following documents:
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of loan agreement or receipt of loan or trade credit issued by the Bank of Lao PDR;
 - A copy of certificate for the import capital that indicated amount of imported capital issued by the Bank the Lao PDR (in case of legal entity in foreign investment);
 - A copy of enterprise registration certificate and investment license.
5. Transfer of profit, dividend, repayment of capital, interest and other service fees of foreign investor and wages of foreigners returning home or to third country shall submit the following documents:
 - a. Transfer of profit, dividend, capital
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of resolution on profit or dividend sharing of the Board of Directors Meeting or Shareholder Meeting (in case transfer of profits or dividends back to the country);
 - A copy of certified document related to a change of investment capital or closure of business (in case of transfer investment capital back to the country);
 - A copy of certificate related to the import capital issued by the Bank of Lao PDR (In case transfer investment capital back to the country);
 - A copy of certificate related to investment in securities in Lao PDR from relevant sector (in case transfer capital from investment in securities back to the country);
 - A copy of enterprise registration certificate and investment license.

- b. Transfer deposit interest
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of a passport;
 - A copy of deposit interest (if any);
 - A copy of bank statement;
 - c. Transfer of income from wages back to the country
 - A prescribed application form for the transfer of money of the commercial bank ;
 - A copy of passport;
 - A copy of work permit of foreigner or employment certificate issued by relevant sector.
6. Transfer of capital for overseas investment shall submit the following documents:
- A prescribed application form for the transfer of money of the commercial bank ;
 - A permit to transfer capital for overseas investment issued by the Bank of Lao PDR;
 - A copy of ID card or family registration book (for individual);
 - A copy of enterprise registration certificate and investment license. (for legal entity).
7. Transfer for overseas payment of tuition fees, travel, visits and health treatment shall submit the following documents:
- a. Transfer for payment of tuition fee
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of ID card or family registration book;
 - A copy of passport;
 - A copy of invoice on tuition fee from overseas educational institution.
 - b. Transfer for payment of overseas travel and visits
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of ID card or family registration book or passport;
 - A copy of visa issued by the embassy of country of destination to or boarding pass that indicates travel details.
 - c. Transfer for payment of health treatment
 - A prescribed application form for the transfer of money of the commercial bank;
 - A copy of ID card or family registration book;
 - A copy of invoice from overseas hospital or a letter of authorization to have overseas treatment from the director of state or private hospital, provincial or Capital level.
8. Transfer for other purposes

Resident and non-resident of Lao PDR wishing to transfer money overseas but the objectives of transfer are not specified in items 1 to 7 of this Article shall submit complete and accurate documents as reference for the transfer money overseas to the

commercial bank and shall comply with regulations of commercial bank according to the laws and regulations as issued by the Bank of Lao PDR in each period.

In addition to documents as specified in the items 1 to 8 of this Article, the commercial bank may ask for documents related to the transfer of money from Lao PDR when considers that existing information is in sufficient for consideration.

The commercial bank shall use its discretion in considering money transfer overseas in each case as appropriate and consistent with the laws and regulation. In addition, it shall also collect information related to foreign exchange transfer transactions into and from Lao PDR of its customers in order to report to the Bank of Lao PDR on regular basis and report to the Anti-Money Laundering Intelligence Office if such transactions are suspicious for money laundering or financing of terrorism.

Article 9. Foreign Exchange Incomes

Residents of Lao PDR generating incomes from the export of goods and services and all incomes earned from overseas shall be transferred in full amount to their bank account at the commercial bank in Lao PDR within 120 days from the date of payment.

The Bank of Lao PDR would consider authorizing residents of Lao PDR to keep their incomes in overseas bank accounts, specifically for the payment of overseas loan or trade credit only. The remaining incomes from overseas loan payment shall be transferred to Lao PDR.

Article 10. Carrying Cash into and from Lao PDR

Residents and non-residents of Lao PDR may bring cash in Kip and foreign exchange into Lao PDR at the amount not exceed or equivalent to 100 million Kip, and shall declare to the custom check point if the carrying amount exceed the limit to get a clearance document by filling in prescribed custom declaration form for declaration of personal belongings of the Customs Department, Ministry of Finance.

Residents and non-residents of Lao PDR may bring cash from Lao PDR at the amount not exceed or equivalent 100 million Kip, if the amount exceed the limit, it shall be authorized by the Monetary Policy Department, Bank of Lao PDR in order to get a clearance document by filling in the prescribed declaration form from the Bank of Lao PDR and submit documents for proving origin of such amount.

Residents and non-residents of Lao PDR who have authorization document to bring cash into Lao PDR may declare such documents to customs authority at the custom check point as evidence to carry cash at the amount as specified in the authorization document from Lao PDR without having a permission from the Bank of Lao PDR. If the amount of cash to bring from Lao PDR exceed the amount as specified in the cash authorization into Lao PDR, the excess amount

shall be approved by the Monetary Policy Department, Bank of Lao PDR by filling in the prescribed application form of the Bank of Lao PDR and submit complete and accurate certified documents on the origin of such amount.

The Bank of Lao PDR shall consider and notify results of consideration for carry cash from Lao PDR within 2 working days of the date of receipt completed and accurate application.

Chapter 4

Prohibitions and Measures Against Violators

Article 11. Prohibitions

Individuals, legal entities and organizations are prohibited from the following acts:

1. Providing or receiving overseas loans or trade credit without permission from the Bank of Lao PDR;
2. Opening overseas bank accounts without permission from the Bank of Lao PDR;
3. Failing to report overseas on the enforcement of loan or trade credit contract;
4. Concealing information or reporting incorrect information and using loan inconsistent with the loan objectives;
5. Other actions that violate this Decision, relevant laws and regulations.

Article 12. Measures Against Violators

Individuals, legal entities and organizations violating this Decision, relevant laws and regulations may be warned and fined as stipulated in Articles 47 and 49 of the Law on Foreign Exchange Management.

Chapter 5

Final Provisions

Article 13. Implementation

The Monetary Policy Department, Commercial Bank Supervision Department and Regional Bank of Lao PDR shall cooperate with relevant sectors to monitor [and] inspect the implementation of this Decision effectively.

Domestic and foreign commercial banks, individuals, legal entities and organizations shall strictly implement this Decision.

Article 14. Effectiveness

The Decision enters into force from the date of its signing and any decisions or regulations contradicting this Decision shall be void.

The Governor of the Bank of Lao PDR

[signed and stamped]

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