



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

**Lao Securities Commission
Lao Securities Commission Office**

**No. 0001/LSCO
Vientiane Capital, date: 02 March 2018**

**Instruction
On
the Indicators of Suspicious Transactions that
could be Money Laundering and Counter-Financing of Terrorism of Securities
Company**

- Pursuant to the Law on Securities, issue no. 21/NA, dated 10 December 2012;
- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorism, issue no. 50/NA, dated 21 July 2014;
- Pursuant to the Decision on implementation and activities of Lao Securities Commission Office, issue no. 013/NA, dated 17 December 2013;
- Pursuant to the Decision on the reporting of suspicious transactions of money laundering or counter-financing of terrorism, issue no. 13/NA, dated 19 October 2015.

The Director General of Lao Securities Commission Office issued this instruction:

Article 1: Objective

This instruction sets the indicators of suspicious transactions that could be money laundering and counter-financing of terrorism to be a reference for Securities to set out the policies, procedures, behaviors classification or the activities while providing services or building a business relationship with their own customers with an aim to combat and prevent from using the securities business as a channel for money laundering or counter-financing of terrorism.

Article 2: Indicators of Suspicious Transaction

The indicators of suspicious transactions that could be money laundering and counter-financing of terrorism in the activities of Securities Company could be observed from these following behaviors:

1. Unusual Transactions;
2. Transactions that do not conform with Customer's Financial Positions;
3. The Unusual Activities on Securities Trading Account;
4. Customer's Suspicious Behaviors;

5. Suspicious Behaviors of Staffs and Representatives of Securities Company.

Article 3: Scope of Application

This instruction shall be effective for the Securities Company which being certified to operating the securities business by lawful means of Lao PDR.

Article 4: Unusual Transaction

Customer making a transaction of the trading on securities in a large amounts after not having any active movements of transactions for a while.

Article 5: Transaction that do not matched with Customer's Financial Positions

1. Customer making a transaction of the trading on securities in large amounts of money which is not matched with financial information, type of business or occupation that customers have informed, and in which a customer cannot give a reason or source of funds clearly;
2. Customer sending a transaction order for trading on securities in the nearby time in an appearance that may requires for matching order for buys and sells (Matched Order) in which a customer cannot give a reason clearly;
3. Customer making a transaction that is not reasonable or unable to specify an economic purpose, such: regularly making an urgent transaction in large amounts of money, regularly making a transaction in large amounts of money without any interested in a price and a loss in capital that occurred and making a transaction or terms and conditions for making transaction more complicated than usual which is unnecessarily;
4. During the customer auditing, we acknowledge and should acknowledge the customer, as a person who receiving a benefit or a person who eligible to control the last process of making a transaction, have been involved and related to a person who committed to money laundering or counter-financing of terrorism;
5. Customer has transferring or receiving securities transfer or transferring other types of securities or from other individuals of non-family members, beneficiary person, person who eligible to control a transaction making or person who regularly registered their name when opening accounts or in large amounts of money in which a customer cannot give a reason in detail and apparently;
6. Customer with Lao citizen has transferring or receiving securities transfer or transferring other types of securities or from foreign customer accounts who opened with the other types of securities depositor in large amounts of money in which a customer cannot give a reason in detail and apparently.

Article 6: The Unusual Activities on Securities Trading Account

1. Customer transferring money to Aggregated Account for customers of the Securities Company in large amounts of money to deposit at Securities Company without the order or not showing a clear intention that where will be taken such amount of money to

invest in what types of securities or make an order for taking such amount of money to invest in securities but only few amounts compared with the ratio of total deposits money;

2. Customer having a payment behavior or receiving a money transfer for a transaction with the Securities Company in an appearance to showing that the customer intended to avoid making a financial transaction via accounting system of the bank or customer having a payment regularly by Cashier's Cheque;

Article 7: Customer's Suspicious Behaviors

1. Customer try to avoid face-to-face meeting with the Securities Company staffs according to the process of meeting customers on a regular basis;
2. Customer asking for transaction making or opening the securities trading accounts in other people's name or propose using documentation on people's identification for opening accounts or making a transaction;
3. Customer asking to open the securities trading accounts for many accounts within the same types by not having sufficient reasonable in an appearance of opening the account where it is believed to conceal the trading on securities through many investor's account;
4. Customer having a payment of securities price and receive a payment of securities price into individual's account of non-family members, beneficiary person, person who eligible to control a transaction making or person who regularly registered their name when opening accounts or in large amounts of money in which a customer cannot give a reason in detail and apparently;
5. Customer not providing a collaboration by refused to disclose information or show the true identity, not providing evidences to show the true identity or other evidences documentation per requested or customer who have sent a doubtful evidence documentation which may be forged, modified, or not evidence documents issued by the state competent authority of relevant countries;
6. Customer try to conceal without auditing required or doesn't want the Securities Company to report about their own transactions, thus, they're willing to pay for fees that higher than usual or try to convince staffs by other methods;
7. Customer having knowledge about the Law on anti-money laundering and counter-financing of terrorism and good reporting what is unusual or more interested in asking about policies and procedures on internal activities of the Securities Company for making a transaction in an appearance that the customer may be related to money laundering or counter-financing of terrorism;

Article 8: Suspicious Behaviors of Staffs and Representatives of Securities Company

1. The Securities Company staffs receiving cash from customers which is not consistent with the normal implementation system of business sectors and a good internal

controlling system or providing any convenience to customers by depositing large cash amounts into bank accounts on behalf of customers;

2. Other relevant transactions relating to the activities of securities which is a suspicious transaction that suspected as money laundering or counter-financing of terrorism.

Article 9: Reporting on Suspicious Transaction

The reporting on suspicious transaction according to the indicators of this instructions shall be reported to AMLIO and implement according to the Decision on the reporting of suspicious transactions of money laundering or counter-financing of terrorism, issue no. 13/NA, dated 19 October 2015, and including all relevant Legislations.

Article 10: Implementation

The Securities Company shall acknowledge and implement this Instruction in accordance with scope of rights and duties strictly.

Article 11: Effective

This Instruction shall be effective from the date of signature.

**Director General
of Lao Securities Commission Office**

Saysamone CHANTHACHAK