



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

Prime Minister

No. 20/PM

Vientiane Capital, dated 26 November 2020

**Order
On Withholding, Freezing or Seizure of Funds Relating to
Proliferation Financing**

To: The National Coordination Committee for Anti-Money Laundering and Counter-Financing of Terrorism; Ministries, Ministry-Equivalent Organizations; Local Authorities; Reporting entities, individual, legal person and relevant organization.

- Pursuant to the Law on Government of Lao People's Democratic Republic No. 04/NA, dated 08 November 2016;
- Pursuant to the Proposal of the National Coordination Committee for Anti-Money Laundering and Counter-Financing of Terrorism, issue No. 09/NCC, dated 29 October 2020.

To facilitate activities on counter-financing to Proliferation of Weapons of Mass Destruction effectively and comply to domestic and international principles.

The Prime Minister issue an Order:

1. Assigned to the National Coordination Committee for Anti-Money Laundering and Counter-Financing of Terrorism (NCC), ministries, ministry-equivalent organizations, local authorities, reporting entities, individuals, legal person and relevant organizations to perform according to procedures, methods of withholding, freezing or seizure and resolving of funds associated to the financing of Proliferation of Weapons of Mass Destruction according to this Order set out.
2. The Proliferation financing in this Order means Designated person or entity" defined as any individual or legal person or entity designated for the application of targeted financial sanctions pursuant to Security Council resolution 1718 (2006) and 2231 (2015) by the Security Council in annexes to the relevant resolutions or Security Council Committee established pursuant to resolution 1718 (2006) and 2231 (2015) and future successor resolutions.

3. Funds to be withholding, freezing and seizure of funds in this Order are included any money or assets in financial assets, economic resources, property of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such funds or other assets, including, but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds or other assets, and any other assets which potentially may be used to obtain funds, goods or services.
4. Proposal of defining the list of person who involved in the Proliferation of Weapons of Mass Destruction or the financing to Proliferation of Weapons of Mass Destruction shall act as follows:
 - 4.1 Assigned to the Ministry of Public Security acts as co-operator to co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, Anti-Money Laundering Intelligence Office (AMLIO), relevant ministries and organizations to research and propose the list of person who involved in the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction to NCC to consider certify and conduct according to procedures that United Nation set out. Adding name lists to accounts shall be based on primary resources as follows:
 - 4.1.1 Individuals, legal person or organizations who involved in Nuclear operating plan including other operating plans related to Weapons of Mass Destruction and the Missile operating plan;
 - 4.1.2 Individuals, legal person or organizations who supported the Nuclear project, Weapons of Mass Destruction including providing supports through illegal approaches;
 - 4.1.3 Individuals, legal person or organizations who act on behalf or act upon the order of individuals, legal person or organizations as defined in subparagraph 4.1.1 and 4.1.2 of this order;
 - 4.1.4 Individuals, legal person or organizations who belong or under controlled either direct or indirect of individuals, legal person or organizations as defined in in subparagraph 4.1.1 and 4.1.2 of this order;
 - 4.1.5 Individuals, legal person or organizations who facilitating in avoiding measures on penalties or violates of the resolutions 1718 (2006) and Acts 1874 (2009);
 - 4.1.6 Individuals, legal person or organizations who supported prohibited projects, prohibited activities by relevant Acts or to avoid the provision of the resolutions;
 - 4.1.7 Individuals, legal person or organizations who involved either direct or supported on financing to the proliferation of Nuclear activities or participant in purchasing process of prohibited items such objects, products, devices, materials and technology as defined in the resolutions of UN Security Council;
 - 4.1.8 Individuals, legal person or organizations who provided aiding to individuals or legal person or organizations which listed in the list of avoidance or the actions that contrary to the resolutions of UN Security Council.

- 4.1.9 Individuals, legal person or organizations who act on behalf or act upon the order of individuals, legal person or organizations as defined in subparagraph 4.1.7 and 4.1.8 above or by other individuals, legal person or organizations that those person owned or have the authorities to control.
- 4.2 Every single proposal to add or remove the names from the list of United Nation Security Council shall send to NCC to consider. In case there is sufficient evidence to considering, NCC shall certify and accept according to such proposal.
- 4.3 The lists of those associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall include individuals, legal person or organizations who subjected to the name list by UN Security Council or UN Security Council Committee that established under the resolutions of UN Security Council 1718 (2006); 2231 (2015) and other resolutions to related.

Individuals, legal person or Organizations as defined in the above shall be added or remained in the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction immediately when UN Security Council or UN Security Council Committee have determined in the list or until the cancellation will being made from relevant the lists.

- 4.4 Assigned to the reporting entities, Postal enterprise, Ministries and other Organizations to relevant follow up and regularly investigate the lists who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, then report to Ministry of Public Security to update those lists.
- 4.5 The designation lists declaration process and proposal of adding or removing a name from the lists of person who associated with Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction of UN Security Council shall act as follows:
- 4.5.1 Assigned to Ministry of Foreign Affairs submitting the amended designation lists of person who associated with Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction to Ministry of Public Security and Anti-Money Laundering Intelligence Office (AMLIO) immediately upon receiving the lists from UN Organization;
- 4.5.2 Assigned to AMLIO on reporting the amended designation lists to reporting entities immediately and appointing Ministry of Public Security to declare the relevant designation list to Postal enterprise and other relevant organizations immediately, and also publishing to Government's website or website of relevant organizations regularly;
- 4.5.3 In case, if there is sufficient evidence and be able to certify that any individuals, legal person or organizations complied to any conditions of the resolutions of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN which still not added to the name listed as UN Security Council have determined that Ministry of Public Security shall act in co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, AMLIO, Ministries and

relevant Organizations to consider the proposal of adding to the lists of UN Security Council.

In case, upon the co-operation of Ministry of Public Security according to the act as defined in the above paragraph of this Subparagraph where Ministry of Public Security has already considered and found that there is sufficient evidence to certify that relevant individuals, legal person, or organizations have complied to a condition of the resolutions of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, then Ministry of Foreign Affairs shall propose and add such relevant names into the name lists of UN Security Council by using a form that approved by the Committee of UN Security Council includes detail statement of such case.

4.5.4 In case of there is sufficient evidence to certify that any individuals, legal person or organizations who are not in the conditions or not under the conditions of the name lists which is defined in the resolutions of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, then Ministry of Public Security shall act in co-operate with Ministry of Foreign Affairs, Ministry of Industry and Commerce, AMLIO, Ministries and relevant Organizations to propose and remove such relevant names from the name lists of UN Security Council.

In case of after co-operated with Ministry of Public Security according to the first paragraph as defined in this Subparagraph, and Ministry of Public Security has considered that there is sufficient evidences to certify that any individuals, legal person or organizations who are not comply to the conditions as defined in the name lists according to the resolutions of UN Security Council which set out on the basis of Chapter VII of the active Acts of UN, Ministry of Foreign Affairs shall propose and remove such relevant names from the name lists of UN Security Council by using a form that approved by the Committee of UN Security Council includes detail explanation about why such individuals, legal person or organizations are not under the conditions of the list of determination.

5. The request of listing a name on the name lists who associated to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall act as follow:
 - 5.1 Individuals, legal person or organizations who have been affected by the listing in the name list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction can make a request to People's Supreme Prosecutor Office to consider about such listing issues;
 - 5.2 People's Supreme Prosecutor Office to co-operate with Ministry of Public Security and relevant entities to identify and investigate those evidences provided from individuals, legal person or organizations requesting for the name lists who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction. The steps and processes shall be act in accordance with the principles regulation that People's Supreme Prosecutor Office set out;

- 5.3 Proposal of defining the lists of person who involved in the Proliferation of Weapons of Mass Destruction or the financing to Proliferation of Weapons of Mass Destruction which under the name lists of UN Security Council shall be revised as defined in subparagraph 4.5.3 and 4.5.4 of this Order. Ministry of Public Security shall notify relevant individuals, legal person or organizations who are listed in the name lists that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction in the lists of UN Security Council to have an acknowledge about the possibility to make a request for removing name from lists of UN Organization.
6. Withholding, freezing or seizing funds which are associated with person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction shall act as follows:
- 6.1 Reporting entities as defined in Law on Anti-Money Laundering and Counter-Financing of Terrorism:
- Shall regularly monitor their customers who have transaction or associated with source of Funds as defined in Section 3 of this Order and shall immediately inspect them upon receiving notification regarding the lists of those associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from AMLIO;
 - Reporting entities must use preliminary measures to stop and withhold such funds immediately when their client or beneficial ownership is found to be on the lists of those 5 associated with Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or making transactions that relate to funds defined in Section 3 of this Order. In the meantime must report immediately to the Ministry of Public Security and AMLIO;
 - The Ministry of Public Security will issue an order to freeze or seize the funds immediately when receiving a report from reporting entities.

The order to freezing or seizure of above-mentioned funds shall remain in effective until there is any revision or adjustment in the name lists of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from UN Security Council.

Within thirty days, from the date of issued the Order of freezing and seizure of funds as defined in Section 3 of this Order, Ministry of Public Security is being authorized to consider toward such suspected person or funds as defined in Section 7 of this Order. For the consideration of suspected person and funds with complicated manner that shall be inspected or investigated across different sectors shall not exceed sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

In case where such funds are not related or associated with a person who listed in the lists that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, Ministry of Public

Security shall give a notice in writing to reporting entities to acknowledge and terminate such provisional measures.

Reporting entities who implemented its obligation in a good faith under subparagraph 6.1 of this Order will not be liable for any act under their activities. On the other hand, in case of reporting entities failed to comply with its obligation, negligence or indiscreet in perform their duties.

6.2 Withholding, freezing, seizing funds transferred, sent through and serviced by the post office:

- Assigned to Postal enterprise to regularly monitoring and shall immediately investigate the postal package, the postal box or mail bag upon receiving a notice on the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from Ministry of Public Security;
- Postal enterprise shall apply preliminary measures stop and withhold such funds when finding out that a customer or beneficial ownership is on the lists of those associated with with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or having any transaction that associated with such funds as defined in Section 3 of this Order. Also immediately report to Ministry of Public Security and AMLIO;
- Assigned to Ministry of Public Security to issue an order to freezing or seizure such funds immediately upon receiving the report from postal enterprise;
- Assigned to Ministry of Public Security to issue an order to freezing or seizure such funds immediately when found that there are such postal packages, postal boxes or mailbags sent from Lao PDR to another countries or from another countries to Lao PDR which contained or filled with funds as defined in Section 3 of this Order within the time of forty-eight hours, and also Ministry of Public Security shall open or inspect in order to establish the fact.

The order to freezing or seizure of funds shall remain effectively until there will have any adjustments or changes in the list of persons who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction from UN Security Council.

Within thirty days, from the date of issued the order to freezing or seizure of Funds that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction that contained in the postal packages, postal boxes or mailbags, Ministry of Public Security is being authorized to consider toward suspected person and funds as defined in Section 7 of this Order. For the consideration toward suspected person and funds with complicated manner or shall be inspected or investigated in different sectors shall not exceeding sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

In case, if such funds are not related or associated with a person who listed in the list that associated with the Proliferation of Weapons of Mass Destruction or

financing to the Proliferation of Weapons of Mass Destruction, Ministry of Public Security shall give a notice in writing to Postal enterprise to acknowledge and terminate such initial regulation.

Postal enterprise who implemented its obligation in a good faith under subparagraph 6.2 of this Order will not be liable for any act under their activities. On the other hand, in case of Postal enterprise failed to comply with its obligation, negligence or indiscreet in perform their duties or any perform as defined in subparagraph 5.2 of this Order.

6.3 Detain, Seizure and Freezing of Funds that associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction at any other sectors:

Any individuals, legal persons or organizations shall apply initial regulation to stop and to withhold such funds as defined in Section 3 of this Order immediately after found that any individuals, legal person or organizations who having co-operation, relationship in business or having any transaction which subject to designation list who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction or found that any individuals, legal person or organizations having any transaction that associated with such funds as defined in Section 3 of this Order, shall immediately report to Ministry of Public Security and AMLIO.

Through the case of the specific tasks, the consideration of financial intelligence or consideration of the notice received on suspected individuals, legal person or organizations after the suspected transaction was found as defined in Section 3 of this Order, Ministry of Public Security shall be issued an order to freezing or seizure of funds immediately in case there is sufficient evidence to proof on such issues.

Within thirty days, from the date of issued the order to freezing or seizure of funds as defined in Section 3 of this Order, Ministry of Public Security is being authorized to consider toward suspected person, and such funds as defined in subparagraph 7 of this Order. For the consideration toward suspected person and funds with complicated manner or shall be inspected or investigated in different sectors shall not exceeding sixty days. In term of requirement for inspecting and assembling evidences from aboard, it shall be done within ninety days.

7. Resolving of funds that subjected to withholding, freezing and seizure of funds shall act as follows:

7.1 Return the funds to the owner who are legally possessed, if such funds has been possessed by other persons or illegally use in any activities related to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction;

7.2 In case, there has been considered and seem like the condition is in the exemption in accordance with the resolutions 1718 (2006) and the resolutions 2231 (2015) shall being approved to be able to access to money or other assets as defined in those resolutions.

- 7.3 For any deposit account which being seized in accordance with the resolutions 1718 (2006) and the resolutions 2231 (2015) shall consider to allowed to have an increasing interest or other incomes for such accounts or allowed to have the settlement as defined in the contract or agreement or obligation that occurred before the date of such accounts with a condition that such interest including other incomes and settlement shall remained freezing.
- 7.4 Freezing of Funds in accordance with the resolutions 1737 (2006), which has been continue conducted by the resolutions 2231 (2015) or conducting in accordance with the resolutions 2231 (2015) shall not allow any individuals or legal person who appears under designation list to have exemption from its obligation of settlement as defined in the agreement issued prior the listed of such individuals or legal persons into the designation list with following conditions:
- 7.4.1 Considered and found that the agreement is not associated to the list of prohibited objects, devices, products, technologies, aids, training, financial aids, investment, a broker or service provider as defined in the resolutions 2231 (2015) and other Acts which continues from such Acts;
- 7.4.2 Considered and found that such individuals or legal person have not yet received the payment whether by direct or indirect process as defined in the resolutions 2231 (2015);
- 7.4.3 There is a letter submitted in advance to UN Security Council to inform about intentional of settlement or receiving of such payment or intentionally to give the power of authority with appropriated reasons to cancel the freezing of such funds including financial assets or other business resources which will be used for this purpose, which shall submit the notice letter in advance for ten official working days prior to such approval.
- 7.5 Cancellation of freezing and seizure of Funds and return of Funds if such person has been removed from the list of person who associated with the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction;
- 7.6 In case, they are unable to identify the owner or the person who legally possessed of Funds, then such funds shall be nationalize or being destroyed according to the Law on State Assets or associated Laws of Lao PDR.

Individuals, legal person or organizations who have been affected from detained, seizure and freezing of funds shall make a petition to People's Supreme Prosecutor Office to use any appropriated regulation to resolve the case as defined in subparagraph 7.1 to 7.5 of this Order.

In case, People's Supreme Prosecutor Office is considering about funds that has been seizure or freezing as defined in subparagraph 7.1 to 7.5 of this Order, People's Supreme Prosecutor Office shall determine some necessary conditions to natural person, legal person or organizations to prevent from using such funds to support relevant activities that related to the Proliferation of Weapons of Mass Destruction or financing to the Proliferation of Weapons of Mass Destruction, in case People's Supreme Prosecutor Office has been considered and resolved an issue of such funds that being seizure or freezing as defined in subparagraph 7.2 to 7.4 of this order. People's Supreme Prosecutor Office shall provide all

document and necessary notice letter to relevant committees of UN Security Council to ask for an approval from relevant committees of UN Security Council through Ministry of Foreign Affairs prior to use of such funds.

Funds on withholding, freezing or seizure of funds shall remain on withholding, freezing or seizure until there is any resolving measures take place as defined in subparagraph 7.1 to 7.6 of this Order.

8. Violating this Order shall be sanctions as follows:
 - 8.1 Any reporting entities, postal enterprise, person, legal person or organization if not compliant their obligations in subparagraph 6 of this Order shall be suspended and fine in ratio of 0.0001% of the total property at the time of violation. But not less than 3.000.000 Kip and not more than 200.000.000 Kip;
 - 8.2 Any person who deals with an asset or funds knowing that the asset or funds is owned, controlled or held, directly or indirectly, wholly or jointly, by or behalf of or at the direction of a designated person or entity under UNSCRs 1718 and 2231 shall be fine 20% of all value of funds or assets to violated;
 - 8.3 Any person who makes an asset or funds knowing that it is being made available, directly or indirectly, wholly or jointly, to a designated person or entity under UNSCRs 1718 and 2231, or a person or entity owned and controlled or acting on behalf of a designated person or entity under UNSCRs 1718 and 2231 shall be fine 20% of all value of funds or assets to violated;
9. This Order is effective from the date of signature and after fifteen days of publishing on the Government bulletin.

Prime Minister of Lao PDR

[Seal and Signature]

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