



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

**Prime Minister**

No: 03/PM  
Vientiane Capital, dated: 11 February 2016

**Order**  
**On the Withholding, Freezing or Seizure of Funds Relating to**  
**Terrorists or Financing of Terrorism (Revised)**

**To:** The National Coordinating Committee for Anti-Money Laundering and Counter-Financing of Terrorism; Ministries, Ministry-Equivalent Organizations;  
Local administrations;  
Reporting entities; natural persons, Legal Entities and concerned organizations.

- Pursuant to the Law on the Government of the Lao People's Democratic Republic, no: 02/NA, dated 6 May 2003;
- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorism, no: 50/NA, dated 21 July 2014;
- Pursuant to the proposal of the Chair of the National Coordinating Committee for Anti-Money Laundering and Counter-Financing of Terrorism, no:13/NCC, dated 08 October 2015.

In order to make the Anti-Money Laundering and Counter-Financing of Terrorism (AMLCFT) efficient and in line with the International principles.

**The Prime Minister issues this revised Order:**

1. The National Coordinating Committee for Anti-Money Laundering and Counter-Financing of Terrorism (NCC), ministries, ministry-equivalent organizations, local administrations, reporting entities, natural persons, legal entities and concerned organizations are to follow the procedures, methods on withholding, freezing or seizing or remedying funds relating to money laundering or financing of terrorism, and designated list of natural persons relating to terrorists or the financing of terrorism as defined in this Order.
2. Funds and properties that are to be frozen, seized are funds and properties defined in Article 8, Section 5 of the Law on AML/CFT as follow:
  - 2.1 Funds and properties, and benefits derived from funds and properties owned by or under the control of, use, distribution, management either directly or indirectly, partially or completely of natural persons, legal entities or organizations, which are on lists related to terrorism or financing of terrorism;
  - 2.2 Funds and properties which are owned by or under the control of, use, distribution, management of natural persons, legal entities or organizations which hold ownership on behalf of or under the control of natural persons, legal entities or organizations which are on lists associated with terrorists or the financing of terrorism;
  - 2.3 Funds and properties which support or have the objective of supporting terrorism, including funds and properties derived from an act of terrorism.

- 3.** Designating lists of Natural persons, Legal Entities or Organizations Relating to Terrorists or Financing of Terrorism is to observe the followings:
  - 3.1** The Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the Anti-Money Laundering Information Office (AMLIO), relevant ministries and organizations of the government in proposing NCC the additions to/removals from the domestic and foreign list of natural persons, legal Entities or organizations relating to terrorists or financing of terrorism for the latter's consideration and approval.
    - 3.1.1** The result of litigation and judicial rulings which have authority;
    - 3.1.2** The results of consideration by the Ministry of Public Security, AMLIO and the Ministry of Foreign Affairs which provide evidence of behaviors and actions as specified in Article 3 and 7 of the Law on AML/CFT.
    - 3.1.3** The request of foreign governments which are supported by evidence of the behaviors and actions as defined in Articles 3 and 7 of the Law on AML/CFT;
  - 3.2** Any proposed addition to/removal from the domestic/foreign lists must be presented to the NCC for consideration. If the NCC considers that the proposed addition/removal is supported by sufficient evidence, it shall approve accordingly.
  - 3.3** The lists of those associated with terrorists or financing of terrorism shall automatically include all natural persons, legal entities or organizations designated by the United Nations Security Council or a committee of the United Nations Security Council established under United Nations Security Council resolutions 1267 (1999), 1988 (2011), 1989 (2011), and 2253 (2015), and other successor resolutions, without the need for NCC's consideration and approval;
    - 3.3.1** Natural persons, legal entities and organizations referred to in Section 3.3 shall be included in the lists of those associated with terrorists or financing of terrorism immediately upon their designation by the United Nations Security Council or a committee of the United Nations Security Council;
    - 3.3.2** Natural persons, legal entities and organizations referred to in Section 3.3 shall remain on the lists of those associated with terrorists or financing of terrorism until their designation is revoked by the United Nations Security Council or a committee of the United Nations Security Council.
  - 3.4** Reporting entities, postal enterprises, other relevant ministries and organizations shall monitor and check the lists of natural persons, legal entities or organizations associated with terrorists or the financing of terrorism regularly and present to the Ministry of Public Security in order to improve the list of those associated with terrorists or the financing of terrorism.
  - 3.5** Notification of name lists, and proposing additions-removals from the list of names of those associated with terrorists or the financing of terrorism of the Security Council of the UN shall be implemented as follows:
    - 3.5.1** The Ministry of Foreign Affairs will send updates to the list of those related to terrorism or the financing of terrorism to the Ministry of Public Security and the AMLIO immediately when the list is received from the UN;

**3.5.2** The AMLIO will notify these updates to the lists to reporting entities immediately and the Ministry of Public Security will notify these lists to the Postal enterprises Lao and other relevant sectors immediately and disseminated them through government websites regularly.

**3.5.3** In the event that there is evidence that someone who meets the criteria for designation specified in an active resolution of the Security Council of the UN issued on the basis of Section VII of the UN Charter but is not in a list specified by the Security Council, the Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the AMLIO, relevant ministries and ministry-equivalent organizations in order to consider proposing the addition onto the list of the Security Council of the UN;

In the event that, following coordination by the Ministry of Public Security under Sub-section 3.3.3, the Ministry of Public Security considers that there is sufficient evidence that an individual, legal entity or organization meets the criteria for designation specified in an active resolution of the Security Council of the UN issues under Chapter VII of the UN Charter, the Ministry of Foreign Affairs shall propose the addition onto the list of the Security Council of the UN using the standard forms adopted by the relevant committee of the Security Council, including a detailed statement of case to support the designation.

**3.5.4** In the event that there is evidence that an individual, legal entity or organization does not, or no longer, meets the criteria for designation specified in a resolution of the Security Council of the UN issued on the basis of Section VII of the UN Charter, the Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the AMLIO, relevant ministries and ministry-equivalent organizations in order to consider the proposing the removal from the list of the Security Council of the UN.

In the event that, following coordination by the Ministry of Public Security under Sub-section 3.3.4, the Ministry of Public Security considers that there is sufficient evidence that an individual, legal entity or organization does not meet the criteria for designation specified in an active resolution of the Security Council of the UN issues under Chapter VII of the UN Charter, the Ministry of Foreign Affairs shall propose the removal from the list of the Security Council of the UN using the standard forms adopted by the relevant committee of the Security Council, including a detailed explanation of why the individual, legal entity or organization does not meet the criteria for designation.

**3.6** Notification, and proposing of additions-removals from domestic and foreign lists of those associated with terrorists or the financing of terrorism shall be implemented as follows:

**3.6.1** The Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the AMLIO and relevant sectors in order to consider and research additions-removals to the domestic list of those associated with terrorists and the financing of terrorism as defined in Sub-section 3.1.3 and Sub-section 3.1.4 of this Order.

**3.6.2** The Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the AMLIO, other relevant ministries and organizations in considering the addition-removal of names on the domestic list of those associated with terrorists or the financing of terrorism in the event that there is

a request from a foreign government and then a response must be made on the deliberation of this request made to the requesting foreign government through the Ministry of Foreign Affairs.

Coordination and consideration of additions to the domestic and foreign lists of those associated with terrorists or the financing of terrorism under Clauses 3.4.1 and 3.4.2, and a decision by the NCC under Sub-section 3.1, shall be done *ex parte* and without prior notice to the individual, legal entity or organization.

**3.6.3** The Ministry of Public Security is in charge of coordinating with the Ministry of Foreign Affairs, the AMLIO, other relevant ministries and organizations in order to deliberate the proposal to foreign governments on the specification of names to add or remove from lists of those associated with terrorists or the financing of terrorism of the foreign government concerned in the event that there is information that the associated or not associated with funds and properties defined in Section 2 of this Order or Resolutions of the UN Security Council on the basis of Section VII of the UN Charter or Article 3 and 7 of the Law on AML/CFT which indicate activity or funds in that country.

**3.6.4** The AMLIO will notify updates to the lists to reporting entities immediately and the Ministry of Public Security will notify these lists to the Postal enterprises Lao and other relevant sectors immediately and disseminate them through government websites regularly.

**4.** Any appeals regarding listing of those associated with terrorists or the financing of terrorism shall observe the followings,

**4.1** Any person affected by the listing of those associated with terrorists or the financing of terrorism may apply to the Office of People`s Prosecutor to appeal the listing.

**4.2** The Office of People`s Prosecutor shall coordinate with relevant sectors in order to deliberate and research evidence that natural persons, legal entities and organizations request and appeal regarding the listing of those associated with terrorists or the financing of terrorism. Regarding methods and procedures, the regulations of the Office of People`s Prosecutor must be followed.

**4.3** Appeals regarding the list of names of those associated with terrorists or the financing of terrorism of the Security Council of the UN shall be dealt with under Sub-section 3.5.3 and 3.5.4 of this Order. The Office of People`s Prosecutor shall also inform an individual, legal entity or organization on the list of names of those associated with terrorists or the financing of terrorism of the Security Council of the UN of the option to make a de-listing request directly to the United Nations Office of the Ombudsperson.

**5.** Withholding, freezing or seizing funds which are associated with terrorism or the financing of terrorism shall observe the followings,

**5.1** Reporting entities as defined in Article 17 of the Law on AML/CFT

- Must regularly monitor their clients that take actions or are related to funds and properties as defined in Section 2 of this Order, and immediately inspect them upon receiving notification regarding the lists of those associated with terrorism or the financing of terrorism from AMLIO;
- Reporting entities must use preliminary measures to stop and withhold such funds and properties immediately when their client is found to be on the lists of those

associated with terrorism or the financing of terrorism or making transactions that relate to funds defined in Section 2 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 and properties immediately when receiving a report from a reporting entity.

An order to freeze or seize funds and properties shall remain in effect until the prosecution comes to an end or till there is a court's decision.

Within thirty days, from the issuance date of the order to freeze or seize funds and properties defined in Section 2 of this Order, the Ministry of Public Security has the duty to consider a suspect, funds and properties as per Section 6 of this Order. For the consideration of a suspect, the funds and properties which are complex or require auditing, inspection in many places, it shall not exceed sixty days. In the event an audit and consolidation of evidence abroad is required, it shall not exceed ninety days from the issuance date of the freezing or seizure order.

In the event that such funds and properties are not related or associated with those on lists of those associated with terrorists or the financing of terrorism, the Ministry of Public Security shall inform a reporting entity in writing for their acknowledgement and cancellation of the applied preliminary measures.

Reporting entities shall not be liable for anything done or omitted to be done in good faith and without negligence in compliance or purported compliance with Sub-section 5.1 of this Order.

## **5.2 Withholding, freezing, seizing funds transferred, sent through and serviced by the post office:**

- Postal enterprises shall regularly monitor and immediately inspect postal products, postal packages or mailbags after receiving notification regarding the lists of those associated with terrorists or the financing of terrorism from the Ministry of Public Security;
- Postal enterprises shall use preliminary measures to immediately terminate and withhold such funds and properties when finding out that a customer is on the lists of those associated with terrorism or financing of terrorism or makes a transaction associated with funds defined in Section 2 of this Order, and in the meantime immediately report to the Ministry of Public Security and the AMLIO;
- The Ministry of Public Security shall issue an order to freeze, seize funds and properties immediately upon receiving a report from a postal enterprise;
- In the event of presence and urgency, the Ministry of Public Security shall issue an order to freeze, seize funds and properties immediately within forty-eight hours if postal products, postal packages or mailbags sent from the Lao PDR to foreign countries or from foreign countries to the Lao PDR found to contain or have funds defined in Section 2 of this Order, and the Ministry of Public Security must open or inspect in order to establish the facts.

An order to freeze or seize funds and properties shall remain in effect until the prosecution comes to an end or till there is a court's decision.

Within thirty days, from the issuance date of the order to freeze or seize funds and properties associated with financing of terrorism found in postal products, postal packages or mailbags, the Ministry of Public Security has the duty to consider a suspect, funds and properties as per Section 6 of this Order. For the consideration of a suspect, the funds and properties which are complex or require auditing, inspection in many places, it shall not exceed sixty days. In the event an audit and consolidation of evidence abroad is required, it shall not exceed ninety days from the issuance date of the freezing or seizure order.

In the event that such funds and properties are not related or associated with those on lists of those associated with terrorists or the financing of terrorism, the Ministry of Public Security shall inform a reporting entity in writing for their acknowledgement and cancellation of the applied preliminary measures.

Reporting entities shall not be liable for anything done or omitted to be done in good faith and without negligence in compliance or purported compliance with Sub-section 5.1 of this Order.

**5.3 Withholding, freezing, seizing funds and properties associated with terrorism or the financing of terrorism in other sectors:**

A natural person, legal entity and organization must use preliminary measures to stop and withhold funds and properties defined in section 2 immediately when finding out that their counterparty of business relation or transaction, a natural person, legal entity and organization, is on the lists of those associated with terrorism or the financing of terrorism or making transactions that relate to funds and properties defined in Section 2 of this Order, and immediately report to the Ministry of Public Security and the AMLIO;

In the event that there is a sufficient evidence as a result of professional actions, intelligence analysis or a report by a natural person, legal entity or organization on a detection or encountering of funds and properties as defined in Section 2 of this Order, the Ministry of Public Security shall coordinate with the natural person, legal entity, organization and other relevant sectors to establish the facts, verify that whether or not such funds and properties are associated with terrorists or financing of terrorism, then take action as per Section 6 of this Order. If there is sufficient evidence suggesting of any connection, the ministry of public security shall issue the order to seize or freeze such funds and properties immediately.

Within thirty days, from the issuance date of the order to freeze, seize funds and properties defined in Section 2 of this Order, the Ministry of Public Security has the duty to consider a suspect, funds and properties as per Section 6 of this Order. For the consideration of a suspect, the funds and properties which are complex or require auditing, inspection in many places, it shall not exceed sixty days. In the event an audit and consolidation of evidence abroad is required, it shall not exceed ninety days from the issuance date of the freezing or seizure order.

**6. The remedy of issues regarding the withheld, frozen or seized funds and properties shall observe the followings:**

- 6.1** Return to a legitimate owner if such funds and properties were illegally controlled or used by others to commit an act of terrorism or financing of terrorism;
- 6.2** Allow to be used as necessary expenses to sustain a person`s livelihood whose funds and properties were frozen or seized, and expenses for other legal obligations of the person, or a legal entity or an organization whose funds and properties were frozen or seized, in accordance with resolutions 1452 (2002) and 1735 (2006) of the Security Council of the United Nations, and any successor resolutions;
- 6.3** Cancel the seizure, the freezing and return such funds and properties if the name of that person, legal entity or organization in question is removed or erased from the lists of names of natural persons, legal entities or organizations associated with terrorists or financing of terrorism;
- 6.4** In the event that the legitimate owner or custodian of the funds and properties cannot be identified, the government shall confiscate or destroy such funds and properties in accordance with the relevant national regulations and laws of Lao PDR.

Any natural person, legal entity or organization affected by the withholding, freezing or seizure of funds and properties may appeal to the Office of People`s Prosecutor for one of the remedies defined in Sub-section 6.1 to 6.3 of this Order.

In the event that the Office of People`s Prosecutor deliberates on the funds that were frozen, seized as specified in Sub-section 6.1 to 6.3, the Office of People`s Prosecutor shall specify necessary conditions for the a natural person, legal entity or organization in order to prevent such funds and properties to be used in the financing of terrorism or an act of terrorism.

In the event that the Office of People`s Prosecutor applies remedy as defined in Sub-section 6.2 of this Order, it shall provide the UN Security Council all necessary documents and notices in order to seek the latter`s permission via Ministry of Foreign Affairs prior to the use of such funds and properties.

The withheld, seized and frozen funds and properties shall remain so till the application of one of the remedies as defined from Sub-section 6.1 to 6.4 of this Order.

- 7.** This order is to replace the Order No.61/PM, dated 13 Nov 2015, and effective from the date of signing onwards.

**The Prime Minister of the Lao PDR**

**[Seal and signature]  
Mr. Thongsing Thammavong**