



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

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**The National Committee for Anti-Money Laundering  
and Counter-Financing of Terrorism**

No: 01/NCC

Vientiane Capital, dated: 15 January 2016

**Agreement  
On Know Your Customers and Customer Due Diligence**

- Pursuant to the Law on Anti-Money Laundering and Financing of Terrorism no: 50/NA, dated 21 July 2014;
- Pursuant to the Prime Ministerial Decree on Actions of the National Committee for Anti-Money Laundering and Counter-Financing of Terrorism, no: 364/PM, dated 13 October 2014;
- Pursuant to the Request from the Anti-Money Laundering Intelligence Unit, No: /AMLU, dated 15 January 2016

**The Chairman of the National Committee for Anti-Money Laundering and  
Counter-Financing of Terrorism Issues This Agreement:**

**Section 1  
General Provisions**

**Article 1 Objectives**

The objectives of this agreement is to expand on Articles 20, 21 and 22 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism (AMLCFT) in order to strictly implement the work of AMLCFT at the reporting unit level to be efficient and effective.

**Article 2 Scope**

This agreement is for use with reporting units as specified in Article 17 of the Law on AML/CFT throughout the country.

**Article 3 Know Your Customers**

Know Your Customers is the collection of information and evidence or documents which **verifies the identity** of the customers by the reporting entities while providing service or establishing business relationships as specified in Article 7 of this agreement and is recorded or copied sufficiently and correctly as it must be stored as specified in Article 21 and 28 of the Law on AML/CFT.

**Article 4 Customer Due Diligence**

Customer Due Diligence is the proving of information and evidence or documents related to customers and transactions of customers that reporting units have collected in the nature of an audit in order to find the facts about the customer and the transactions of the customer completely and clearly as specified in Article 11 of this agreement which is

associated with the risk level of the client as specified in Articles 20, 23, 24 and 28 of the Law on AML/CFT.

## **Article 5 Explanation of Terms**

**Terms used in this agreement have meanings as follows:**

- 1. Verification of identity means:** procedures that reporting units specify for their customers to show their identity every time by giving evidence or documents in order to verify their identity as legally correct before giving service or creating business relationships, which may be individuals, legal entities or organizations both domestic and foreign as specified in Article 7 of this agreement;
- 2. Transactions means:** transactions as specified in Section 9 Article 8 of the Law on AML/CFT;
- 3. Credible information source means:** information that people or individuals, legal entities and organizations may access or disseminate generally which is information that a government sector has created to help in research, auditing, verifying or informing of information on a topic which may be paid for or not paid for in order to access or receive dissemination of such information;
- 4. Individuals which have legal agreement means:** legal agreement for individuals, legal entities or organizations where one party possesses, uses, benefits, buys-sells or manages an asset through any method for the benefit of an individual, legal entity of the other party or actual beneficiary;
- 5. beneficiary owner means:** an individual as specified in Clause 11 Article 8 of the Law on AML/CFT;
- 6. Political exposed persons means:** individuals as specified in Clause 12, 13, 14 and 15 of Article 8 of the Law on AML/CFT;
- 7. Numbered account means:** an account opened by a customer in a commercial bank or financial institution but does not reveal the name of the account holder or the account owner and uses a numerical or alphabetical code instead, so that the account holder or account owner is not revealed so that deposits-withdrawals or other transactions can be made as normal;
- 8. Anonymous account means:** a deposit account as specified in Clause 24 of Article 8 of the Law on AML/CFT;
- 9. Fund means:** fund or property as specified in Clause 5 of Article 8 of the Law on AML/CFT;
- 10. Identification means:** means: information of customers, individuals who receive benefits real or recipients of benefits from the relationship between the business or client's transactions such as: name, surname, age, occupation, date of birth, place of birth, current data on contacts and other necessary information.

## **Article 6 General Principles**

To implement all measures in this agreement has to following the principles:

1. Ensure the implement of measures in this agreement without tipping-off's customers and confidentiality of related staffs in reporting entities;
2. Ensure that its verifies the identity, identification and collect information related to the actual customers;
3. Ensure consistency in the implementation of this agreement and the internal regulations of reporting entities.

## **Section 2 Executing Know Your Customer**

## **Article 7 Measures to Know Your Customer**

Reporting entities must Know Your Customer by allowing customers to present verification documents as specified in Article 21 of the Law on AMLCFT.

Each instance of Know Your Customer, the reporting unit must verify the identity of the customer and keep information and evidence or legal verification documents actually present for each circumstance as specified in Article 8 through Article 11 of this agreement.

## **Article 8 Know Your Customer for Individuals**

To Know Your Customer, in the event that it is an individual, the reporting unit must at least collect information and evidence or documents of the individual as specified in Clause 1 and Clause 2 of this Article.

### **1. For individuals who are Lao:**

- Name and surname;
- Date of birth;
- ID Card and copy;
- Age and occupation;
- Address per house registration or census book and current address;
- Name and location of workplace;
- Contact information such as: telephone or teletype or residential address and email address;
- Handwriting along with signature;
- Other information necessary or as specified by the Anti-Money Laundering Information Office (AMLIO).

### **2. For individuals who are foreign or resident alien:**

- Name and surname;
- Date of birth;
- Nationality, age and occupation;
- ID Card and passport issued by the government of the country of nationality along with copies;
- Resident alien card (if a resident alien in the Lao PDR);
- Address per house registration or census book and current address both in the home country and in the Lao PDR;
- Name and location of workplace both in the home country and in the Lao PDR;
- Contact information such as: telephone or teletype or residential address and email address;
- Handwriting along with signature;
- Other information necessary or as specified by the Anti-Money Laundering Information Office (AMLIO).

## **Article 9 Know Your Customer for Legal Entities**

To Know Your Customer, in the event that it is a legal entity, the reporting unit must at least collect information and evidence or documents of the legal entity...

- Name of the legal entity;
- Office address;
- Contact information, such as: telephone, teletype and official email address;
- Enterprise registration number and copy of enterprise registration license that is not yet expired and copies of these documents;
- Business operation license number and copy of the business operation license that is not yet expired and copies of these documents;

- Tax registration number and copy of the tax registration that is not yet expired and copies of these documents;
- A letter or document with handwriting or a signature along with name and company seal of both the grantor and receiver of authority to make transactions or create business relationships on their behalf;
- The receiver of authority to make transactions or create business relationships on behalf of the legal entity must follow Article 8 of this agreement;
- Other information necessary or specified additionally by the AMLIO.

### **Article 10 Know Your Customer for Organizations and Non-Profit Organizations**

To Know Your Customer, in the event that it is an organization or a non-profit organization (NPO), the reporting unit must at least collect information and evidence or documents of the organization or NPO as specified in Clauses 1 and 2 of this Article.

#### **1. For organizations:**

- Organization name;
- Location;
- Contact information, such as: telephone, teletype and official email address;
- A letter or document regarding the objective of making transactions or creating business relationships each time;
- A letter appointing or granting authority in making transactions each time from the organization;
- A letter or document with handwriting or a signature along with name and company seal of both the grantor and receiver of authority to make transactions or create business relationships on the organization's behalf;
- Other information necessary or specified additionally by the AMLIO.

#### **2. For NPOs:**

- NPO's name;
- Location;
- Contact information, such as: telephone and official email address;
- A letter or document regarding the objective of making transactions or creating business relationships each time and copies of each document;
- A copy or a document establishing or certifying or permitting the operation of activities or business from a sector of government;
- A letter or document with handwriting or a signature along with name and company seal of both the grantor and receiver of authority to make transactions or create business relationships on the NPO's behalf;
- The receiver of authority to make transactions or create business relationships on behalf of the NPO must follow Article 8 of this agreement;
- Other information necessary or specified additionally by the AMLIO.

### **Article 11 Know Your Customer for Individuals with Legal Agreement**

Know Your Customer, in the event that it is an individual with legal agreement, the reporting unit should at least gather information and evidence or documents on the individual with legal agreement such as:

- In the event that it is an individual, Article 8 of this agreement should be followed;
- In the event that it is a legal entity, Article 9 of this agreement should be followed;
- A letter or document regarding the establishment of the individual with legal agreement and copies of each document;
- Other information necessary or specified additionally by the AMLIO.

## **Section 3 Risk Management**

## **Article 12 Risk Management**

Reporting units must uphold principles of assessing and managing risk of money laundering and financing of terrorism as specified in Article 20 in the Law on AMLCFT and should improve their own policies, principles, procedures or regulations per the standard conditions specified by the AMLIO periodically.

Reporting units must assess and manage risk on the basis of at least identifying, valuing, monitoring and reducing risk of money laundering and financing of terrorism which may arise in themselves, for instance existing or new products, existing or new methods for conducting business, methods or procedures in servicing or conducting business, the use of new technology in servicing or conducting business. If risks are found, there must be appropriate measures in order to reduce the risk of money laundering and financing of terrorism before servicing, conducting business and creating business relationships with new and old clients.

Reporting units must consider the intensity of measures for customer due diligence for all of their customers in accordance with the risk of money laundering and financing of terrorism of the client. If the client has a high level of risk, deep measures must be implemented for customer due diligence. If the client has a low level of risk, easy measures must be implemented for customer due diligence which must be counted as part of policy, procedures, principles or regulations in assessing and managing their risk. For information and evidence or identity verification documents of various clients which are considered in the management of risk of money laundering and financing of terrorism, which are stored, the information must be audited and improved to be current information through even implementation until cessation of relationship with the client.

Reporting units must carry out policies, procedures, principles or regulations in assessing and managing their risk as specified in Paragraphs 2 to 3 of this Article while serving, processing transactions and creating business relationships or while ceasing the service, the processing of transactions and the creation of business relationships.

## **Article 13 Risk Management for Low Risk Customers**

the reporting entities must conducting the risk management as defined in Article 12 of the agreement and consider the risks on money laundering and financing terrorism as the risk factors as follows:

- 1.** Risk factors from customer must consider at least following:
  - customers who conduct transactions or business relationship on behalf of organization or state enterprise as defined in no 1 of article 10 in this agreement as clearly;
  - customer who is organizations or state enterprises as defined in no 1 of article 10 in this agreement as clearly;
  - customer who was legal entities which is the public company, registered in the stock market and enough transparency;
  - legal entities who is establish business relationships which is the legal entities with a good performance on anti money laundering and financing terrorism;
  - other natures that determined by AMLIO.
  
- 2.** Risk factors on products and services, conducting transactions or channel of service must consider at least the following:
  - the project on pension, retirement or fund of retirement or similar project for benefits of retirement of employees by cut the part of salary's staffs, wages and not allow members to transfer benefits to another person;

- products or financial services are appropriate service and within the limits specific types of customer can access that services;
- other natures that determined by AMLIO.

**3. Risk factors from areas or countries must consider at least the following:**

- areas or countries has been trust by assessment on money laundering and financing terrorism are effective from international organizations;
- areas or countries that have been assessed by international organizations can trust that corruption or other crime in low levels;
- areas or countries was assessed or determined by AMLIO that the country has a good effective on money laundering and financing terrorism;
- other natures that determined by AMLIO.

Reporting entities must consider that its customers have low risk on money laundering and financing terrorism for the purposes of audit data or evidence to verify its customers, but they have to take measures on customers due diligence and on-going monitoring the movement transactions.

**Article 14 Managing Risk for High Risk Customers**

The reporting entities must implement the risk management as specified in article 12 of this agreement and to consider the risks of money laundering and financing of terrorism as risk factors as follows:

**1. Risk factors that caused from customers to consider at least two cases as following:**

1.1. In case of identification or beneficial owner that indicates customers or beneficial owner has any features as follows:

- the structure of stakeholder is complex or unusual compared when compared with the nature of business;
- the political exposed person;
- conducting business or a profession with high risk;
- conducting business or active transactions of customers using the cash which does not consistent to business customers;;
- no Lao nationality or not lives in Laos;
- the legal entities or legal arrangement has settled other's funds.
- the legal entities who was hold of shareholders or shares issued in the form of anonymous holder;
- information is considered that evidence of customers is a high risk customers;
- other natures that determined by AMLIO.

1.2. in the event of the result of audit was found that the transactions or business relationships of clients has conducted in a manner unusual.

**2. Risk factors on products and services, conducting transactions or channel of service must consider at least the following:**

2.1. Establishing the business relationships or transactions with legal entities who has no enterprise license or permission on conducting business but is not required by law;

2.2. Establishing the business relationships or transactions that are not revealed real name;

2.3. Establishing the relationships business or non face to face operation;

2.3. Transfer money from unknown people or not relevant third party;

2.4. other natures that determined by AMLIO.

**3. Factors as risks from high risk areas or countries such as the client is temporary or permanent, occupation, source of income or active transactions in high risk areas or**

countries on money laundering and financing terrorism as defined by AMLIO and stakeholders in each period.

the reporting entities must take the risk factors as defined in paragraph 1 of this article to consider the risk of clients as strictly in the case of reporting entities was assessed on risk factors with other information of customers, if it is possible in the paragraph 1 of this article that is a high risk customers must take measures on customer due diligence to those customers. the reporting entities may consider other factors such as channel providers, type of transaction, type of financial products and information of the customer's lists from other source to be a factors to determine high risk with the risk factors as set in paragraph 1 of this article.

## **Section 4 Customer Due Diligence**

### **Article 15 Measures for Customer Due Diligence**

Reporting units must use measures for customer due diligence as specified in Paragraph 2 of this Article by referring to assessing and managing risk as specified in Article 12 of this agreement in order that it may be known or verified that the client that it is searching about as specified in Article 7 of this agreement uses information and evidence or documents that are correct or legal which are the client's own and not someone else's; actual beneficiary of the transaction or the creation of business relationships that the client is building or carrying out and clients that are unrelated, unconnected, unlinked to money laundering or financing of terrorism or other violations.

Reporting units must use measures for customer due diligence for their own clients as follows:

1. Identification of customers and checks to verify information and evidence or documents that the customer uses to verify themselves from reliable sources;
2. Identification of actual beneficiaries of clients and uses appropriate measures to check and verify the identity of actual beneficiaries for legal entities or individuals with legal agreement including ownership structures and supervising clients of legal entities or individuals that have such legal agreement;
3. Use of necessary measures in appropriate situations in order to request information on the objectives and type of business relationship;
4. Verify in order to know the facts regarding business relationships of clients continuously and verifying the making of transactions during the entire period of building their relationship in order to be able to know that the transaction made by the client is in accordance with existing information provided by the client;
5. In necessary circumstances, there should be a measure in order to know the source of funds or revenue of the client.

In addition to reporting units which must implement Clauses 1 through 5 of Paragraph 2 of this Article, reporting units must verify information of clients and actual beneficiaries of clients with information related to lists of individuals, legal entities or organizations as follows:

1. Individuals, legal entities or organizations which are specified on lists of individuals, legal entities or organizations in resolutions of the Security Council of the United Nations regarding terrorism or financing or terrorism;
2. Individuals, legal entities or organizations which are specified on internal lists of the Lao PDR.

Reporting units must use measures for customer due diligence for people who will become customers or on existing customers with special care through the use of these measures so that the customer does not realize or know that they are facing measures for customer due diligence. In the event that it is found that their measures for customer due

diligence are a warning to customers that they are facing such measures, reporting units may consider the ending of such measures for customer due diligence and report on transactions that are suspected of money laundering or financing terrorism to the AMLIO.

### **Article 16 The Use of Measures for Customer Due Diligence During Service or Creating Business Relationships with the Customers**

Reporting units must use measures for customer due diligence during service or creating business relationships with their customers in each situation as specified in Paragraph 1 of Article 22 of the Law on AML/CFT.

In addition, reporting units must carry out Paragraph 1 of this Article but also use measures for customer due diligence in circumstances as follows:

1. When creating business relationships with their clients;
2. Clients occasionally make transactions which have value of 100,000,000 kip (one hundred million kip) or more or equivalent;
3. Clients occasionally transfer funds which have a value of 8,000,000 kip (8 million kip) or more or equivalent;
4. There is information or suspicion that making a transaction or creating business relationships of the client is money laundering and financing terrorism.

### **Article 17 Cursory Measures for Customer Due Diligence**

After the reporting entities had conducting the managing risk as specified in article 13 of this agreement, if they had know their customer has high risk in money laundering or financing terrorism the reporting entities must take measure of customer due diligence as least following:

1. determine more the procedure or get more request information from customers such as the information or evidence in operation or activities of business, information sources of capital or income and information about the purpose of conducting transactions or relationship business. to determine the process to consider referring to the relationship of business with the reporting entities that reliable in anti money laundering and financing of terrorism as a reason to request more information.
2. determine the senior manager to approval in conducting transactions or relationships with business with high risk customers and approve the audit information procedures of customer due diligence in case of customers have high risk, which may cause that make reporting entities to fall in the necessary tools or source of money laundering and financing of terrorism. reporting entities to deny or terminate relationships in transactions or relationships with business customers such report transactions suspected of money laundering or the financing of terrorism to the AMLIO.
3. determine the procedures to detect movement of financial high risk customers as strictly by considering increasing frequency, step or track the relationship business and active in making transactions also more frequently check the identity and those beneficial owner of customer and reporting entities must conducting these steps as regularly.

### **Article 18 Thorough Measures for Customer Due Diligence**

After the reporting entities has conducted the managing risk as defined in Article 14 of the agreement if the client has low risk in money laundering or the financing of terrorism to consider the level strictly monitoring information and take simply measures customer due diligence as least the following:

1. downgraded the strictly to request information and evidence or documentation to verify its customers by considering the type of customer, transaction, product of financial, value of transactions, dynamic financial and operational relationship business;



2. downgraded the strictly in testing the information of dynamic financial and operational relationship business of customer;
3. downgraded the strictly in testing the information as current customers.

in the event of consideration that customers has low risk with active transactions or activities in a manner that involved or related to money laundering or financing terrorism the reporting entities must improve the risk of customers to be a high risk customers and conduct the measures customer due diligence immediately.

**Article 19 Measures for Customer Due Diligence for those who Make Transactions on Behalf of Customers**

the reporting entities must take measures of customer due diligence as specified in Article 15 of the Agreement This person claimed that the transaction represents a customer must be able to verify that the person is assigned by the client really all be identified and checking for identity document of those persons.

**Article 20 Measures for Customer Due Diligence for Politically Exposed Persons**

in the event of the customers of reporting entities is politically exposed persons beside of the follow the second paragraph of Article 25 of AML/CFT law it also need the following:

1. determine the high risk customers including take the measures of customer due diligence;
2. Identify the customer is which politically exposed persons as defined in Article 13, 14 and 15 of AML/CFT law;
3. consider to make suspected transaction report of money laundering or financing terrorism to AMLIO immediately;
4. to take the measures to on-going monitory as defined in Article 26 of this Agreement to the customer.

**Article 21 Measures for Customer Due Diligence for Individuals with Legal Agreement**

Reporting entities must identity, check verification and make understand the nature of business customers as legal entities or individuals have agreed legal including the structure of ownership and authority to control the business at least following:

1. determine the customers that has identity for check information and evidence of legal entities or legal arrangement by document or evidence that have to consider as follow:
  - 1.1 the documentation or evidence that can confirm the true identity, name, other form that created by law as follows:
    - certificate established enterprises;
    - certificate as financial enterprises;
    - documents confirmed on partnership;
    - documents or evidence from another source that can be trusted can prove name, model and real person customers as entities or individuals have agreed legal.
  - 1.2 the power for control and binding the legal entity or legal arrangement including - name of the person whose position as executive senior in the legal entity such as the memorandum of understanding, rules, regulations of the legal entity;
  - 1.3 address or location of the office as a registered document the establishment from the government. if it had different they can using the information of current address or location of office.
2. determine the customer must identity beneficial owner and establish appropriate measure to check the information and evidence that those customers by consider the following:
  - 2.1 for the legal arrangement must following:

2.1.1 requesting the evidence of identity's beneficial owner and power in controlling that legal entity such as the person holds more than 25% (twenty five percent) in that legal entity.

2.1.2 if had suspected as specified in no.2.1.1 of this article that individual has a power for controlling was a beneficial owner or if they did not identify the individual in no. 2.1.1 of this article must identify of individual whose have a power to control of that legal entity by other method;

2.1.3 if they cannot identify the individual as specified in no. 2.1.1 and 2.1.2 of this article must identify and using appropriate measure in checking information and identity document of customer who has the high position in that legal entity.

2.2 for the legal arrangement must following:

2.2.1 to identify its founders, managers, supervisors, beneficial owners as agreements or contracts in which to later beneficial owners and the person with the power to control or ownership of funds or property which the legal arrangement that having power management, control, use the results and conducting on buy - sell or administration;

2.2.2 if the customer or controller has been enterprise that registered in security exchange, which transparency and disclosure by relevant laws to identify by considering relevant information with the organization of government who has the duty on registered or registered enterprises in security exchange or other sources of information that can be trusted.

## **Article 22 Measures for Customer Due Diligence for Final Beneficiaries of Insurance Contracts**

in the event of the reporting entities was establish the relationship business or transactions about life insurance or other contract of insurance. beside of using the measure on customer due diligence as specified in article 15 of this agreement, they also must perform the following:

1. to identify the name of individual, legal entities, organizations and legal arrangement who was beneficial owner from contact of insurance or in the case of the beneficial owner has more than one must comply all name as clearly.
2. to determine beneficial owner from contact of insurance by relevant information with the beneficial owner as enough that can identify the beneficial owner when required or other benefits stipulated in the contract of insurance as follows:
  - in the event of to determined by special nature or status when they start to make a insurance contracts such as husband, wife, children, siblings, relatives or cousins;
  - in the event of to determined by other nature when make a insurance contracts such as bequests or any conditions that not clear.

the reporting entities must determine in consider the information about beneficial owner from insurance contracts to be a factor in managing risks as following:

1. if the beneficial owner from insurance contracts as defined in paragraph 1 of this article is a legal entity or legal arrangement has the risk on money laundering and financing terrorism must take measures on customer due diligence and conducting to determine the beneficial owner of legal entities or organizations or legal arrangement when required the payment or other benefits as specified in the contract of insurance;
2. if the beneficial owner from insurance contracts as defined in paragraph 1 of this article is Politically exposed persons they must examine the information about the relationship between insurance contract owner with beneficial owner from insurance contracts that is Politically exposed persons as strictly. after that they must inform to its senior manager and approved the payment of insurance contracts;

3. if they had a suspicious when in conducting on no 1 and 2 of this paragraph. they have to consider and make a suspected transactions report on money laundering or financing terrorism to AMLIO.

in the event of the insurance company cannot conduction on paragraph 1 and 2 of this article. the reporting entities must deny to establish the relationship, no transaction or stop the relationship business with customer and consider to make a suspected transactions report on money laundering or financing terrorism to AMLIO.

the reporting entities must consider to determine the customer on ML/FT when the customers start to make a transactions as below:

1. the life insurance with premiums amounting of insurance premiums annually is lower or equivalent 8,000,000 Kip (eight million kip) or pay premiums once is lower or equivalent 20,000,000 Kip (twenty million kip);
2. the Insurance for fund of pension or retirement that did not withdraw prematurely and contract insurance cannot be the stock guarantee;
3. the life insurance of customer or beneficial owner of beneficial owner have the right to get payment or other benefits as insurance contracts upon the death, disability or paralysis permanently only without the collect money or dividends or interest with insurance life.
4. to determine the conditions on the risk basic approach for lower customer as specified in article 14 of this agreement.

#### **Article 23 Measures for Customer Due Diligence for occasional transaction**

in the event of the reporting entities if had the relationship business or transactions with individuals, legal entities, organizations and legal arrangement, which did not used to take measures on customer due diligence to this customer like a occasional or many time as the character continued on the amount or funding, when combined with a high number or equivalent 100,000,000 kip (one hundred million kip) the reporting entities must following:

1. using the measures on customer due diligence as specified in Article 15 of this Agreement;
2. to examine the relationship business or transaction when they are servicing or when the end of the service and when they had suspected that is money laundering or funding terrorism must report to AMLIO immediately.

#### **Article 24 Measures for Customer Due Diligence for Existing Clients**

the reporting entities must consider to take the measure on customer due diligence as specified in article 15 of this agreement to existing customer in appropriate time on the basic of the significant and the level of customer's risk also consider when they should to take the measure on customer due diligence for exiting customer and the receiving information is enough.

### **Section 5 Continuous Monitoring**

#### **Article 25 On-going Monitoring**

the reporting entities must review the examination of information and evidence of identity's customer in currently including lower and higher risk customer on ML/FT that have to ensure the information, document or any news that comply has to through of using measure on customer due diligence as specified in article 15 of this agreement and it will keeping as specified in article 28 of AML/CFT law in correct the reality of each customer in each period.

#### **Article 26 Measures for Continuous Monitoring**

the reporting entities must establish the procedure to on-going monitoring with the movement of transactions including lower and higher risk customers on ML/FT and customer that used to report to AMLIO by using measure on customer due diligence as defined in Article 15 of the agreement, when active transactions again of this customers and make a suspected transactions report on ML/FT to AMLIO.

## **Section 6 Prohibitions**

### **Article 27 Prohibited Products**

It is forbidden for reporting units to serve, make transactions or create business relationships with customers who hide their real name, use false names or aliases or with unclear histories. It is forbidden for reporting units who can open accounts to open coded accounts and anonymous accounts for their clients.

### **Article 28 Tipping-of**

It is forbidden for employees, managers, supervisors, directors, board of directors, management assembly and those related to AMLCFT or the use of various measures as specified in this agreement of reporting units to reveal information or have behavior or actions or through other methods which will make the customer aware that he/she is facing measures of customer due diligence or reporting on transactions suspected of money laundering or financing terrorism or any reporting of information on the client to the AMLIO.

## **Section 7 Specific Measures**

### **Article 29 Stalling the Transaction**

Beside of the postpone transactions as defined in article 29 of AML/CFT law, the reporting entities may consider establish appropriate measures and consistency to its business also in the doing or before establishing the relationship business or service for stalling the transaction that have suspected is ML/FT and in the case of they got the notification as defined in article 30 of this agreement as following:

- introduction to using service with branches or head quarter office;
- requirement more the relate and necessary documents;
- using the specific form for that customer;
- other methods as appropriate.

When or after conducting the measures under the paragraph 1 of this article the reporting entities must report to AMLIO as immediately.

Using measure any paragraph of this article the reporting entities must ensure that will not make customers feel as really as defined in Article 28 of the agreement this.

### **Article 30 Implementing Rules of Withholding, Freezing or Seizure of Funds**

After the reporting entities has been informed about who is the active, who are involved in or related to money laundering or the financing terrorism and the list that related to terrorist or financing terrorism from AMLIO. after that reporting entities must review their customers list immediately and regularly. if detected that clients has a name in lists of the notice. the reporting entities must terminate relationships in business or transactions and withholding funds or assets at the same time they must make a report urgently to ministry of public security and AMLIO to order seized or freezing fund as immediately.

### **Article 31 Freezing the account's customers**

Reporting entities must conducting to withholding and freezing money or fund to its customer who has deposit accounts as immediately without prior notice on the notice as specified in Article 30 of the agreement or get information from the AMLIO and stakeholders.

## **Section 8 Final Provisions**

### **Article 32 Protection**

Employees and related officials will receive protection as specified in Article 11 of the Law on AMLCFT or related laws.

### **Article 33 Violations for Offenders**

Reporting units who do not carry out their duties in reporting as specified in this agreement will face warning and fines as specified in Article 64 and 65 of the Law on AMLCFT.

### **Article 34 Implementation**

It is granted to the reporting units to implement this agreement strictly.

It is granted to the AMLIO to be the owner and coordinate with relevant sectors in the monitoring and inspection of reporting units in the strict implementation of this agreement.

In situations where improvement to the contents is necessary to be periodically adapted to fit the actual circumstances, the AMLIO may issue instructions, directions, notices or regulations in order to improve, expand or remedy such issues.

### **Article 35 Effectiveness**

These instructions are effective from the date of signature onward.

**Chairman of the National Coordination Committee on  
Anti-Money Laundering and Counter-Financing of Terrorism**

[Seal and signature]

Dr. Bounpone BOUTTANAVONG