



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Bank of Lao PDR

No:963/BOL

Vientiane Capital, dated: 27 November 2015

Decision

On the Reporting of Wire Transfers in exceeding the specified limit

- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorisms, No: 50/NA, dated 21 July 2014;
- Pursuant to Decree on the Implementation and Function of the National Coordination Committee on Anti-Money Laundering and Counter-Financing of Terrorism, No. 364/PM, dated 13 October 2014;
- Pursuant to the Request by the Anti-Money Laundering Information Unit, No:1026 /AMLU, dated 07 September 2015.

The Governor of Bank of Lao PDR issues this decision:

Chapter I

General Provisions

Article 1 Objective

The objective of this issuance of this decision is to expand on Article 27 and 30 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism, to advise and be a reference for Report entities with reporting duties to be able to divide up and report on wire transfers which exceed specified amounts to the Anti-Money Laundering Intelligence Office (AMLIO).

Article 2 Wire Transfers in exceeding the specified limit

Wire transfers are the electronic transfer of funds as specified in Article 8 Point 19 of the Law on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) both domestically and internationally in a form of payment which is numbered or has reference symbols (Serial Payment) and payments with reference documents (Cover Payment).

Wire transfers in exceeding the specified limit are wire transfers equaling 8,000,000 kip or more per instance, as specified by the AMLIO periodically.

Article 3 Definitions

The terms used in this decision have meanings as follows:

- 1. Financial institution means** financial institutions as specific in Article 8 Point 7 of the Law on AML/CFT;
- 2. Money of Value Transfer providers “MVTs” means** financial institutions, entities, or individuals who are authorized to conduct business of wire transfers;
- 3. Batch transfer means** wire transfers of many individuals to one financial institution which may be intended for one person or many people;
- 4. Cross-border wire transfer means** wire transfers where the sending financial institution and the receiving financial institution are in different countries or passing through multiple places in different countries;
- 5. Domestic wire transfer means** wire transfer funds where the sending financial institution and the receiving financial institution are in the same country, including the order of foreign wire transfers by utilizing wire transfer systems of domestic financial institutions;
- 6. Ordering Financial Institution means** a financial institution which originates a wire transfer or transfers on receiving wire transfer request in the name of the transfer or;
- 7. Intermediary Financial Institution means** a financial institution which carries out wire transfer duties on behalf of the ordering financial institution and on behalf of the beneficiary financial institution or a financial institution which acts as a medium for another;
- 8. Beneficiary Financial Institution means** a commercial bank or financial institution which receives wire transfers from ordering financial institutions directly or through an intermediary financial institution and disburses funds to the recipient;
- 9. Originator means** individuals, entities, or organizations which have the ordering financial institution initiate a wire transfer by authorizing that transferred funds are deducted from their account or presenting cash to the ordering financial institution to initiate the funds transfer;
- 10. Beneficiary means** individuals, entities, or organizations that the originator has identified as the beneficiary;
- 11. Serial Payment means** the payment of funds per the wire transfer order message and payment order message from the ordering financial institution directly to the beneficiary financial institution or perhaps passing through one or more intermediary financial institutions;
- 12. Cover Payment means** a wire transfer which includes a payment order message or a direct wire transfer and has documents attached to the wire transfer order from the ordering financial institution to the beneficiary financial institution or perhaps passing through one or more intermediary financial institutions;
- 13 Straight-through means** funds disbursement transactions implemented through electronic systems of commercial banks or financial institutions which have received authorization to process electronic wire transfer transactions;

14 Unique transaction reference number means a group of numbers, letters, or symbols combined together in a message specified by the payment provider in order to be a reference in the payment of money or the payment of debt to the beneficiary.

Article 4 Scopes

This decision is in force for wire transfer providers as specified in Article 3 Point 2 of this decision.

Chapter II Data Collection on Wire Transfers

Article 5 Data Collection on international wire transfers

Financial institutions that process international wire transfers must ensure that the transfers possess complete information as below:

1. Funds Transfer Origination Information:

1.1 Individuals:

- First and last name;
- Date of birth;
- Workplace and location;
- Current address (village, district, province, house number and unit);
- ID card number, passport number, or other number which may identify the client;
- Account number (in the event that an account is used for wire transfer).
- And other content necessary.

1.2 Legal person:

- Company name;
- Enterprise registration number and date of issuance;
- Business type;
- Telephone number;
- Current company address (village, district, province, house number and unit);
- Account number (in the event that an account is used for wire transfer).
- And other content necessary.

1.3 Organizations:

- Organization name;
- Enterprise registration number and date of issuance;
- Business type;
- Telephone number;
- Current company address (village, district, province, house number and unit);

- Account number (in the event that an account is used for wire transfer).
- And other content necessary.

2. Beneficiary information:

2.1 Individuals, Legal person or organizations:

- First and last name, company name or organization name;
- Account number (in the event that an account is used to receive funds).

In the event that an account is not used in a wire transfer, the ordering financial institutions must collect a transaction reference number.

Article 6 Data Collection on domestic wire transfers

Ordering financial institutions transferring domestically must collect originator information as specified in Article 5 of this decision.

Chapter III Responsibilities

Article 7 Responsibilities of the Ordering Financial Institutions

The ordering financial institutions must ensure that the wire transfer has complete information as defined in Article 5 of this decision for both the originator and beneficiary.

The ordering financial institutions must ensure that the foreign wire transfer below the specified value has the name of the originator, the name of the beneficiary, account number or transaction reference number of both parties.

The ordering financial institutions must keep information on the originator and beneficiary as specified in Article 28 of the Law on AML/CFT.

Article 8 Responsibilities of the Beneficiary Financial Institutions

The beneficiary financial institutions, on receiving international wire transfers without complete information on the originator or the beneficiary, must follow Article 27 of the Law on AML/CFT.

In the event that a wire transfer has complete information yet the beneficiary has never been examined or verified before, then the beneficiary financial institutions should examine and verify the beneficiary and keep information per Article 28 of the Law on AML/CFT.

The beneficiary financial institutions should have effective policies and procedures in the implementation of assessment measures and administration of risk in order to consider circumstances when denial and termination of wire transfers should occur or in order to specify measures in appropriate monitoring.

Article 9 Responsibilities of Intermediary Financial Institutions

For international wire transfers, intermediary financial institutions must collect information on the originator and the beneficiary in order to send with the transfer. In the event

that information is limited due to a technical issue, then all information sent from the originating financial institutions must be kept per Article 28 of the Law on AML/CFT.

For international wire transfers without complete information on the originator or the beneficiary as specified, intermediary financial institutions must follow Article 27 of the Law on AML/CFT.

Intermediary financial institutions should have effective policies and procedures in the implementation of assessment measures and administration of risk in order to consider circumstances when denial and termination of wire transfers should occur or in order to specify measures in appropriate monitoring.

Chapter IV

Reporting obligation, Exceptions and Confidentiality

Article 10 Reporting obligation

Reporting Entities must collect all data of transaction about wire transfer transactions which exceed the value specified in Article 2 of this decision and report to the AMLIO as immediately upon request.

Article 11 Exceptions

Reporting on Wire transfers in exceeding the specified limit is not needed for payment of goods or services through credit cards, debit cards, and others.

In the event that credit cards or debit cards in the wire transfer between from one individual to another individual must be followed the Article 5, 6 and 11 of this decision.

Article 12 Confidentiality

The information that provided for Anti-money Laundering Intelligence Office of wire transfers in exceeding the specified limit must remain confidential as specified in Article 32 of the Law on AMLIO.

Article 13 Measures for Violators

Reporting entities or other relevant persons who conduct actions which violate this decision will be warned and fined as specified in Article 65 of the Law on AML/CFT.

Chapter V

Final Provisions

Article 14 Implementation

The AMLIO is the authority in monitoring and inspecting reporting entities and relevant persons in the strict implementation of this decision.

Article 15 Effectiveness

This decision is effective from the date of signature by the Chairman of the Coordination Committee on Anti-Money Laundering and Counter-Financing of Terrorism, onward.

The Governor of Bank of Lao PDR,