



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**  
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Bank of the Lao PDR

No 1058/BOL  
Vientiane Capital, dated 05 Dec 2016

**Decision**  
**on the supervision of Money Value Transfer Service**

- Pursuant to Law on the Bank of the Lao PDR No. 05/NA, dated 14 October 1999;
- Pursuant to the Law on Anti-Money Laundering and Counter-Financing of Terrorisms, No: 50/NA, dated 21 July 2014;
- Pursuant to the Law on Foreign Exchange Management, No 55/NA, dated 22 December 2014,
- Pursuant to the Law on Enterprise (Amendment) No. 46/NA, dated 26 December 2013;
- Pursuant to the Law on Contract and Tort No. 01/NA, dated 8 December 2008;
- Pursuant to the Law on Investment Promotion No. 02/NA, dated 8 July 2009;
- Pursuant to the Proposal of Financial Institution Department, and Anti-Money Laundering Intelligence Office.

**The Governor of Bank of the Lao PDR issues this decision:**

**Chapter I**  
**General Provisions**

**Article 1 Objective**

This decision sets the principles, regulations and measures relating to the establishment, operation and supervision for the money value transfer business which provide both local and foreign transfer to make them efficient, secure, transparency to orderly society with an aim to reduce risk occur in the payment system and increase the stability of the financial system.

**Article 2 Money Value Transfer Service**

Money Value Transfer Service is a business operation to provide financial service related to Money transfer transaction domestic and international through MVTs.

**Article 3 Definitions**

The terminologies used in this decision have the following meaning:

1. **Money Value Transfer Service “MVTs”** means financial service such as: receiving cash, bearer negotiable instruments or deduct money in the account for electronic transfer through the banking service or other type method such as: communication, text message, transfers or through account payment network as a part of money value transfers service;

2. **Money Value Transfer Service Providers “MVTS Providers”** means legal persons or organizations authorized by Bank of the Lao PDR to operate money value transfers service in the Lao PDR as stipulated in this decision;
3. **Agents** means natural persons, legal persons or organizations authorized by Bank of the Lao PDR to associate with and service directly to the customers;
4. **Customers** means natural persons, legal persons or organizations that use the MVTS.

#### **Article 4 Scope**

This decision applies to natural person, legal person or organizations involve in MVTS as specified in this decision.

### **Chapter II Establishment and Operations of MVTS business**

#### **Article 5 Establishment of MVTS**

Natural persons, legal person or organizations both local and foreign had purpose to establish MVTS have to submit the application letter to industry and commerce sector as specified in the Law of enterprise and the authorization from the Bank of the Lao PDR.

Foreign investment may not hold more than 40% of the registered capital.

#### **Article 6 Terms of applicant**

Term of applicant for running business MVTS:

1. Having registered capital as specified in this decision and creditability acceptance of the social;
2. Having clear and true shareholding structure;
3. Never convicted for thief, fraud, embezzlement, forgery, bribery, corruption, money laundering, financing of terrorism or other criminal offences relating to financial or monetary matters;
4. Having education qualification and works experience on management or accounting at least two years.

#### **Article 7 Documentation for the Establishment**

Documentation for the establishment of a MVTS shall consist of the following documents:

1. Application letter;
2. Feasibility study and business plan for the first three years;
3. Verification document for the sources of fund to be used for establishing MVTS which is comprise of a copy of shareholder’s bank account authorized by the relevant bank and explanation of the source of fund with the relevant document:
  - Shareholder as natural person has to submit the copy of previous 6 months bank account authorized by the relevant bank;
  - Shareholder as legal person has to submit the copy of previous 2 years bank account and bank statement authorized by the relevant bank;
4. Verification document for system and mechanism of services;
5. Curriculum vitae, copy of identity card, criminal history, education certificate or work experience certificate of the applicant;
6. Verification document for the source of fund to be used for the establishment MVTS as certified by relevant bank and explanation with the relevant document;
7. Authorization by the relevant authority in the home country for the establishment in the Lao PDR and certified document for taking money out of the country that compliance with the home country’s laws (for foreign investment);

8. Map, picture and location's license of head office as certified by residential authorities (Attach rental contract if is rent office);
9. Internal regulation on MVTS;
10. Receipt from Operation Department, Bank of the Lao PDR on payment of application fee of 1.000.000 Kip or by the amendment of Bank of the Lao PDR in each period;
11. Company profile (In case operated as legal person before);
12. Authorization and contract of Agent for MVTS from the owner of the foreign MVTS in Lao and English version (In case the authorization for the representation of foreign MVTS);
13. Power of attorney for the customer's agent conducting the transaction with Bank of the Lao PDR (in case of the beneficial owner does not come).

#### **Article 8 Consideration of the Application**

Bank of the Lao PDR will consider the application and will respond in writing to the applicant within 60 working days from the receipt of complete application.

In case of incorrect or incomplete of application document the applicant shall amend and correct the document within 15 working days.

In case of any amendment and additional information on the application document exceed the timeframe as specified in paragraph 2 of this article, Bank of the Lao PDR will not consider and return the document.

#### **Article 9 Expiration of Establishment License**

The timeframe for the expiration of the MVTS establishment license is 1 year from the issuance of license by the bank of the Lao PDR. In case for the license extension purpose, application shall be submitted to Bank of the Lao PDR within 30 days before the license expires.

Bank of the Lao PDR will consider the extendable of the license within 15 working days (Except the document of foreign MVTS Agents have expired).

#### **Article 10 Registered Capitals**

The minimum registered capital of the MVTS operation is 500.000.000 Kip.

Registered capital imported by foreign investor shall comply with the law on the Investment Promotion and relevant regulations of Bank of the Lao PDR.

#### **Article 11 Extension of the Agents**

The MVTS providers are able to extend the Agents in case of having fit and proper supervision system and regulations and shall be authorized by Bank of the Lao PDR.

#### **Article 12 Rights and obligations of the MVTS Providers**

The MVTS providers have the following rights and obligations:

1. Running business operation with continence, quickly and safety;
2. Monitor and supervisor risk probably occur, especially risk related to ML/FT;
3. Solving the claim of the customers and report to Bank of the Lao PDR at each period as the protection of consumer measures;
4. Securing and protecting of MVTS data and assure for having backup system and plans in case of emergency and unexpected situation such as: flooding and fire cause by natural disaster;
5. Any changes of the business operation shall require an approval from Bank of the Lao PDR;
6. In case of dissolution or foreign MVTS Agents had expired shall report in written to Bank of the Lao PDR within 10 working days. MVTS Providers and Agents shall stop providing service and operations immediately from the date of

the dissolution or Agency of foreign MVTS and expired. (In case of foreign MVTS Agents).

#### **Article 13 Rights and obligations of the Agents**

Agents have the following rights and obligations:

1. Transfer service with continence, quickly and safety;
2. Monitor and supervise risks that might occur, especially risk related to ML/FT;
3. Securing and protecting data lost of transfer service;
4. Amendments of business operation must authorized by MVTS Providers and Bank of the Lao PDR;
5. Implementation of the rights and obligations as defined in internal regulations and other requirement of Bank of the Lao PDR and relevant laws.

#### **Article 14 Rights and Obligations of Customers**

Customers shall comply with the regulation and procedure that are set out by the MVTS providers strictly such as: compliance of money transfer transaction guidance, securing the password and other procedure as to assure the safety when conducting financial transactions.

#### **Article 15 Domestic and International Transfers**

Transfer of foreign currency In-Out Lao PDR shall comply with the Law on the management of the foreign currency and relevant laws as specified in each period.

#### **Article 16 Internal Inspection and Supervision of MVTS providers**

MVTS providers shall inspect and supervise as following:

1. Having the internal inspection and supervision, Including transaction reporting system of it's MVTS providers and the Agents;
2. Having an operational plan such as: data secure, data backup system, data recovery and etc;
3. Security measures for countering and combating fraud in the transaction, hacking data and etc;
4. Contribution in maintaining the stability of the financial sectors for MVTS as Bank of the Lao PDR and the relevant authorities set out in each period.

#### **Article 17 Measures of AML/CFT**

MVTS providers and Agents shall comply with the obligations as defined in the AML/CFT law, such as KYC, CDD, STR of money laundering and terrorist financing and complied with relevant regulations.

#### **Article 18 Annual Fee**

MVTS providers shall pay an annual fee for 0,02 % of average property fund to Bank of the Lao PDR and shall be paid before January of next year.

#### **Article 19 Prohibitions**

MVTS providers are prohibited from the following operation:

1. Operating transactions without the authorization of Bank of the Lao PDR;
2. Define any specific conditions for the customers;
3. Extend the Agents without the authorization of Bank of the Lao PDR;
4. Operating businesses that is conflict with Lao law.

Natural persons, legal persons or organizations are prohibited to operates business or money transfer service without the authorization of Bank of the Lao PDR.

### **Chapter 3**

#### **Supervision, Inspection and Reporting**

##### **Article 20 Supervision and Inspection Agencies**

Bank of the Lao PDR and regional Bank of the Lao PDR is responsible the centralize supervision and inspection on the establishment and operation of the MVTS providers.

##### **Article 21 Reporting of MVTS Providers**

MVTS providers shall report the operational of the business to Bank of the Lao PDR in each period.

### **Chapter 4**

#### **Incentives for good duty performers and measures against violators**

##### **Article 22 Policies on good performance**

Any natural persons, legal persons or organizations with notable enforcement performance of this decision and relevant law shall be praised or awarded with other policies in accordance with legal regulations.

##### **Article 23 Measures against violators**

Natural persons, legal persons or organizations violating this decision and other relevant regulation which causes damage to public and the society shall be warned, educated, disciplined, fined or criminally punished in accordance with the severity of the violation, and shall pay compensation for damages incurred.

### **Chapter 5**

#### **Final Provisions**

##### **Article 24 Implementation**

The Financial Institution department, relevant departments of Bank of the Lao PDR and regional Bank of Lao PDR to strict implementation of this decision.

MVTS Providers, Agents and Customers shall be acknowledge and comply with this decision strictly.

In case of amendment of principle for the consistant in each period, Financial Institutions Department shall issue Guideline, Instruction, Notice or Regulation.

##### **Article 25 Validity**

This Decision shall come into force after 15 days of notification of an official gazette.

**Governor of Bank of the Lao PDR**

[Seal and signature]  
**Dr. Somphao PHAYSITH**