Unofficial translated

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Government No.555/GOV
Vientiane Capital, Dated 04 Sep 2025

Decree on
Fines and other Measures Against violation of Laws and Regulations on Anti-Money Laundering and Counter-Financing of Terrorism and financing of proliferation of Weapons of Mass Destruction

- Pursuant to the Government Law of Lao People's Democratic Republic, No. 03/NA, dated 16th November 2024;
- Pursuant to the Anti-Money Laundering and Counter-Financing of Terrorism Law, No. 64/NA, dated 1st July 2024;
- Pursuant to the Proposal from Bank of Lao PDR, No. 123/BOL, dated 22th May 2025.

The Government issued the Decree:

Chapter 1
General Provisions

Article 1 Objective

This Decree stipulates the principles, procedures, and measures relating to the reformation and other actions applicable to natural person who violate laws and regulations relating the anti - money laundering, the countering financing of terrorism, and the financing of proliferation of weapons of mass destruction for the purpose of serving as a basis for the supervisory agencies of reporting entities in implementing the fines measures and enforcing actions against violators in lawful, stringent, and consistent manner throughout the country, in the context of anti-money laundering and the financing of terrorism and the financing of proliferation of weapons of mass destruction in all forms, thereby strengthening the economic and financial system, ensuring its stability, promoting a peaceful and orderly society, and contributing to the protection and development of the nation.

Article 2 Fines and other measures

Fines is a financial measure imposed against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and the financing of proliferation of weapons of mass destruction. It is not considered a criminal offense, and the amount of the fines is specified in this decree.

Other measures refer to actions taken against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and the financing of proliferation of weapons of mass destruction, which are not considered criminal offenses. These measures include warnings, suspension of operations, dissolution and removal from the business registry, suspension of business activities or revocation of business licenses.

Article 3 Definitions

The terms used in this Decree shall have the following meanings:

1. **Reporting entities shall mean** legal persons and natural persons who obligate to responsible in anti-money laundering and combating financing of terrorism such including those operating in the following categories: commercial banks, micro-finance institutions, pawnshops, leasing companies, money or value transfer services provider and agents, insurance companies, security companies, virtual asset service providers, companies or agents selling and managing financial payment instruments, real estate agents, businesses buying and selling precious metal, trust and companies service providers, accounting and auditing enterprises, casinos, legal enterprises, lawyers and other reporting entities as designated by the National Coordination Committee on Anti Money Laundering and Financing of Terrorism.
2. **Supervisory agencies for reporting entities refer to** State organizations that have the right and duty to oversee, monitor, and inspect the operations of reporting entities. These include Bank of the Lao PDR, Ministry of Industry and Commerce, Ministry of Finance, Ministry of Justice, Ministry of Agriculture and Environment, Anti-Money Laundering Intelligence Office, Lao Securities Commission Office.

Article 4 Principles related to Fines and Other Measures

Fines and Other Measures Against Violators of Laws and Regulations Related to anti-money laundering and countering the financing of terrorism, and the countering financing of proliferation of weapons of mass destruction must be implemented based on the following principles:

1. Compliance with Laws and Regulations;
2. Centralized and unified supervision nationwide;
3. Orderly, promptly, efficiently, and effective execution;
4. Consistent, accurate, transparent, fair, timely, and auditable application of fines.

Article 5 Scope of Application

This Decree applies to all reporting entities, postal enterprises and legal person that are involved in, or have violated laws and regulations related to anti-money laundering and countering financing of terrorism, and, and the proliferation of weapons of mass destruction within the Lao PDR.

Chapter 2
Fines and other Measures Against Violators of Laws and Regulations Related to Anti-Money Laundering and Countering the Financing of Terrorism

Article 6 Violations committed by reporting entities

Violations of laws and regulations by reporting entities including their employees and management levels related to anti-money laundering and countering the financing of terrorism include the following:

1. Failure to implement internal controls;
2. Failure to risk-based approach;
3. Failure to know your customers;
4. Failure to perform customer due diligence (CDD);
5. Failure to collect customer information;
6. Failure to apply enhanced due diligence to politically exposed persons (PEPs);
7. Failure to apply due diligence to correspondent banking;
8. Failure to maintain records of wire transfers;
9. Failure to implement record keeping;
10. Failure to comply with reporting obligations;
11. Failure to report suspicious transactions;
12. Failure to apply provisional measures;
13. Breach of confidentiality regarding reporting;
14. Failure to inspect their own customers;
15. Failure to report the detection or identification of funds;
16. Engaging business relationships with banks or financial institutions, legal persons, or organizations with no physical presence;
17. Engaging with banks located in jurisdictions that does not has AML/CFT law;
18. Opening anonymous or numbered accounts;
19. Providing service, conducting transactions, or establishing business relationships with customers who conceal their true identity;
20. Providing services to customers with incomplete or unverifiable information/history;
21. Opening account service that allow customers to permits others to operate the account illegally;
22. Conducting business or transactions with natural person, legal persons, organizations, or groups listed as involved in terrorism or terrorism financing;
23. Refusal to cooperate with AML/CFT inspection teams;
24. Violating official notifications or instructions issued by the Anti-Money Laundering Intelligence Office and supervisory agencies.

Article 7 Violations by Postal Enterprise

Violations of laws and regulations by the postal enterprise related to anti-money laundering and Countering financing of terrorism include the following:

1. Failure to verify their customers;
2. Failure to report the detection or identification of funds;
3. Failure to apply provisional measures to funds that have been detected or discovered;
4. Engaging business relationships with banks, financial institutions, legal persons, or entities without a physical presence;
5. Engaging business relationships with banks in countries that has no legal frameworks of withholding, seizure and freezing of funds belonging to natural person in designation listed as involved in terrorism or terrorism financing;
6. Engaging in business or transactions with natural person, legal persons, organizations, or groups that designated in listed as being associated with terrorism or terrorist financing activities.

Article 8 Violations by Natural person, Legal Persons, and Organizations

Violations of laws and regulations by natural person, legal persons, and organizations involved in anti-money laundering and countering the financing of terrorism include the following:

1. Failure to report any detected activity or movement of natural person, legal persons, organizations, or groups listed or associated with terrorist activities or terrorist financing;
2. Failure to cease operations or activities of natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing;
3. Providing support to persons associated with terrorist acts or financing of terrorism;
4. Being involved with funds or assets of natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing;
5. Conducting transactions knowingly involving funds owned, controlled, or possessed fully or partially, directly or indirectly, on behalf of, or under the instruction of, natural person, legal person and organization or groups that listed or associated with terrorism or terrorist financing;
6. Concealing or disguising the nature or source of funds or assets of natural person, legal persons, or organizations listed or associated with terrorism or terrorist financing ready for use directly or indirectly, wholly or partially;
7. Any form of contact with those involved in terrorism or terrorist financing.;
8. Failure to suspense or withholding funds associated with terrorism or terrorist financing;
9. Failure to report any detection, suspicious transactions or movements related to terrorism or terrorist financing;

10. Providing false or misleading information in reports related to detected or suspected transactions or movements potentially connected with natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing.

Chapter 4
Other measures against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism and countering the financing of proliferation of weapons of mass destruction

Article 14 Other Measures

Reporting entities and postal enterprises that violate laws and regulations related to anti-money laundering and countering the financing of terrorism, and countering the financing of proliferation of weapons of mass destruction, in addition to being fined as stipulated in Chapters 2 and 3 of this Decree, also will be subject to one or more of the following measures such as warning, suspension of operations, dissolution and revocation of business registration, suspension of business activities or revocation of business license.

Article 15 Warning

Reporting entities, postal enterprises, natural persons, legal persons, and organizations that violate this Decree but do not cause impact or damage, and where the violation does not constitute a criminal offense, shall be given a warning.

Article 16 Suspension of operations, Dissolution and Revocation of Business Registration, Suspension of Business Activities or Revocation of Business License.

Reporting entities and postal enterprises that have already been subjected to financial penalties but remain continues to commit violations shall be suspended from operations, have their business registrations revoked or canceled, have their business activities terminated, or have their business licenses withdrawn. The case shall also be forwarded to the relevant competent authorities for further consideration.

The suspension, revocation, or cancellation of the business registration, the termination of business activities, or the withdrawal of the business license shall be carried out in accordance with applicable laws and regulations.

Chapter 5
Implementation of Fines and Other Measures

Article 17 The organization responsible for implementing the Fines and Other Measures

The organization responsible for enforcing fines and other measures against violators are as follows:

1. The Bank of the Lao PDR;
2. The Anti-Money Laundering Intelligence Office;
3. Other Supervisory agencies for reporting entities and Postal enterprise.

Article 18 Rights and Duties of the Bank of the Lao PDR

The Bank of the Lao PDR shall have following rights and duties:

1. Research and establish regulations related to the enforcement of fines and other measures against violators of laws and regulations concerning anti-money laundering and countering financing of terrorism, and countering the financing of proliferation of weapons of mass destruction;
2. Suspend business operations or revoke business licenses of commercial banks, financial institutions, pawnshops, leasing companies, money transfer service providers, and virtual asset service provider according to proposals from the Anti-Money Laundering Intelligence Office;
3. Exercise rights and perform other duties as prescribed by law.

Article 19 Rights and Duties of the Anti-Money Laundering Intelligence Office

The Anti-Money Laundering Intelligence Office shall have following rights and duties:

1. Monitor, inspect, revise, issue warnings, and propose the suspension or revocation of business operations or business licenses for those who violate laws and regulations related to anti-money laundering and countering financing of terrorism, and counter proliferation financing, within its responsibility;
2. Collect data and statistics related to revisions, warnings, proposals for suspension or revocation of business operations or licenses for violators of laws and regulations concerning anti-money laundering and countering the financing of terrorism, and counter proliferation financing;
3. Summarize and report on the revisions, warnings, proposals for suspension or revocation of business operations or licenses for violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and counter proliferation financing to the National Coordination Committee for Anti-Money Laundering and countering the Financing of Terrorism regularly;
4. Exercise rights and perform other duties as prescribed by law.

Article 20 Rights and Duties of the Supervisory Agencies of Reporting Entities and Postal Enterprise

The Supervisory agencies of reporting entities and postal enterprises have the right and duties for imposing fines and other measures as follows:

1. The Lao Security Commission Office: may fines, warn, suspend business operations, or revoke the business licenses of securities companies, fund management companies, and investment funds.
2. The Ministry of Finance: may fines, warn, suspend business operations, or revoke the business licenses of insurance companies, accounting firms, audit firms, and casinos.
3. The Ministry of Industry and Commerce: may fines, warn, suspend business operations, or revoke the business licenses of businesses involved in trading of precious metal.

4. The Ministry of Agriculture and Environment: may fines, warn, suspend business operations, or revoke the business licenses of businesses involved in real-estate trading.

5. The Ministry of Justice: may fines, warn, suspend business operations, or revoke the business licenses of law firms and remove individuals from the list of licensed lawyers.

6. The Ministry of Technology and Communications: may fines, warn, suspend business operations, or revoke the business licenses of postal service businesses.

The supervisory agencies of reporting entities and postal service businesses are required to collect statistical data, provide information and statistics related to fines, warnings, suspension of operations, or revocation of business licenses for those who violate laws and regulations related to anti-money laundering, counter-financing of terrorism, and proliferation of weapons of mass destruction, within their respective scopes of responsibility, to the National Committee for Anti-Money Laundering and Counter-Financing of Terrorism.

Chapter 5
Payment, Allocation, and Utilization of Funds Obtained from Fines

Article 21 Payment of Fines

Reporting entities that violate laws and regulations related to anti-money laundering, counter-financing of terrorism and the proliferation of weapons of mass destruction must pay fines to supervisory agencies responsible for the reporting entities through the commercial banking system and at service points designated by the state, within 10 working days from the date of enforcement notice is issued.

Article 22 Distribution of Fines

Thirty percent (30%) of money that collected from fines under this Decree shall be transferred to the State Budget, the remaining seventy percent (70%) shall be transferred to the anti-money laundering and counter-terrorism financing and the proliferation of weapons of mass destruction fund to be used specifically to related activities.

Details regarding the management of the Anti-Money Laundering and Counter-Terrorism Financing and the proliferation of weapons of mass destruction fund are stipulated in separate regulations.

Article 23 Utilization of Funds Obtained from Fines

Funds collected from fines shall be used for the following purposes:

1. Establish laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

2. Disseminating and promoting awareness of laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

3. Conducting training and capacity building for personnel involved in the work of anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

4. Monitoring, inspecting, and implementing work related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

5. Providing incentives to individuals with outstanding performance in enforcing laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

6. Procuring equipment and facilities to support the work related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

7. Other activities related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction.

Chapter 7
Final Provision

Article 24: Implementation

The supervisory agencies of reporting entities are responsible for organizing and implementing this decree effectively and efficiently.

Ministries, organizations, local government authorities, and other relevant organization are to recognize and implement of his decree rigidly.

Article 25: Effectiveness

This Decree shall enter into force from the 4th November 2025 onward.

Government of the Lao PDR
The Prime Minister

(Signature and Seal)

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