



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

The Governor

**No. 127/Gov
Vientiane Capital, date 20 February**

Decree

**On Entrust and Responsibilities in Implementing the Activities of
Anti-Money Laundering and Counter-Financing of Terrorism**

- Pursuant to the Government Law of Lao People's Democratic Republic, issue no. 04/NA, dated 8 October 2016;
- Pursuant to the Anti-Money Laundering and Counter-financing of Terrorism Law, issue no. 50/NA, dated 21 July 2014;
- Pursuant to the Proposal from Bank of Lao PDR, issue no...../...../.....

The Governor issue decree:

**Chapter 1
General Provisions**

Article 1 Objective

This decree issued to enhance the Law on Anti-Money Laundering and Counter-Financing of Terrorism and specifically to implement activities of Anti-Money Laundering and Counter-Financing of Terrorism of relevant Ministries, organizations, and Reporting entities to be clear and centralize.

**Article 2 Entrust and Responsibilities in implementing the Activities of Anti-Money
Laundering and Counter-Financing of Terrorism**

Entrust and Responsibilities in implementing the activities of Anti-Money Laundering and Counter-Financing of Terrorism is the implementation of measures on Anti-Money Laundering and Counter-Financing of Terrorism of relevant Ministries, organizations, and Reporting entities as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism, in this Decree and relevant Regulations.

Chapter 2

**The Responsibilities of Ministries and Organizations for implementing
the Activities of Anti-Money Laundering and Counter-Financing of Terrorism**

Article 3 Ministries, Organizations who responsible for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism

Ministries, Organizations who responsible for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism, are including:

1. Bank of Lao PDR;
2. Ministry of Industry of Commerce;
3. Ministry of Planning and Investment;
4. Ministry of Information, Culture and Tourism;
5. Ministry of Home Affairs;
6. Ministry of Foreign Affairs;
7. Ministry of Justice;
8. Ministry of Natural Resources and Environment;
9. Ministry of Public Works and Transport;
10. Ministry of Science and Technology;
11. Ministry of Finance;
12. Ministry of Agriculture and Forestry;
13. Ministry of National Defense;
14. Ministry of Public Security;
15. State Audit Organization

Article 4 The Responsibilities of Ministries, Organizations for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism

Ministries, Organizations have a responsibility for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism as following:

1. Macro-Management for the Activities of Anti-Money Laundering and Counter-Financing of Terrorism in the area of its responsibility;
2. Supervise its entities which is under its management to focus on implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism in order to comply with Laws and other Relevant Regulations effectively;
3. Auditing and Requesting relevant and necessary information from Reporting Entities which is under its management such as sources of fund, shareholders, directors, and beneficial owner prior and/or after issuing Business Registration in order to collect and provide to relevant competent authorities;
4. Developing and implementing programs for monitoring and auditing the activities' implementation of Anti-Money Laundering and Counter-Financing of Terrorism of Reporting Entities which is under its management;
5. Be in charge in studying and issuing legislations, risks assessment and risk-based approach, supervision, monitoring and inspection the implementation of its obligations through activities of Anti-Money Laundering and Counter-financing of Terrorism for Reporting Entities which is under its management;
6. Publishing Laws and Regulations that related to activities of Anti-Money Laundering and Counter-financing of Terrorism to Relevant Organizations and Reporting Entities which is under its management within the nationwide;

7. Collecting, studying and evaluating the activities' implementation of Anti-Money Laundering and Counter-financing of Terrorism then report to the government;
8. Also, other responsibilities as defined in the Laws.

Article 5 The Responsibilities of Bank of Lao PDR, Ministry of Industry and Commerce, Ministry of Planning and Investment, Ministry of Information Culture and Tourism, Ministry of Home Affairs, Ministry of Justice, Ministry of Natural Resources and Environment, Ministry of Science and Technology

Bank of Lao PDR, Ministry of Industry and Commerce, Ministry of Planning and Investment, Ministry of Information Culture and Tourism, Ministry of Home Affairs, Ministry of Justice, Ministry of Natural Resources and Environment, Ministry of Science and Technology are responsible for implementing the activities of Anti-Money Laundering and Counter-Financing of Terrorism as defined in Article 4 of this Decree.

Article 6 The Responsibilities of Ministry of Foreign Affairs

Besides the responsibilities that defined in Article 4 of this Decree, Ministry of Foreign Affairs also have other responsibilities as following:

1. Monitoring and Providing the name list of individuals, legal entities, and organizations who are in the Black list and involved in Terrorism activities and Counter-Financing of Terrorism as defined by UN Security Council for relevant Internal organizations to monitoring, watch out and implementing;
2. Co-operate with relevant organizations to consider adding or removing a name from the name list associated with Terrorism and Counter-Financing of Terrorism in Lao PDR and Foreign Countries;
3. Researching and Consider before accept supporting funds from foreign countries, INGOs in order to **make sure that they won't take this opportunity to make use of this supporting** which associated with Anti-Money Laundering and Counter-Financing of Terrorism.

Article 7 The Responsibilities of Ministry of Public Works and Transport

Besides the responsibilities that defined in Subparagraph 1, 2, 6, 7 and 8 of Article 4 of this Decree, Ministry of Public Works and Transport also have other responsibilities as following:

1. Provide information of the right and ownership of vehicles after issued that license to individuals, legal entities and organizations, to relevant organizations and AMLIO regarding to a requested;
2. Be in charge in notifying and announcing to the passenger on board who travelling In-Out of Lao PDR about a declaration of carrying a Cash, Accessories and Financial instruments with limited amount not more than 100.000.000 Kip

Article 8 The Responsibilities of Ministry of Finance

Besides the responsibilities that defined in Article 4 of this Decree, Ministry of Finance also has other responsibilities as following:

1. Be in charge in Co-operating, Investigation violation in declaration fail or declare falsely of cash, precious metals and BNIs while entry or exit of Lao PDR and

investigate the predicate offence of money laundering such as violation of tax and customs regulation and other offences which under its management;

2. Requesting, providing relevant and necessary information such as the statistics on cash transaction exceeding threshold, precious metals and BNIs while entry exit of Lao PDR, smuggling import-export of illegally Goods and others that associated with activities of Anti-Money Laundering and Counter-Financing of Terrorism, to relevant officers and AMLIO;
3. Be in charge in implementing its obligations for both national and international about activities of Anti-Money Laundering and Counter-Financing of Terrorism;
4. Requesting information from Reporting Entities and AMLIO and also providing information of payments for tax and customs from natural person, legal person or organizations who running businesses of goods import & export and goods through the border in order to report to AMLIO, Reporting Entities and other Relevant Organizations.

Article 9 The Responsibilities of Ministry of Agriculture and Forestry

Besides the responsibilities that defined in Subparagraph 1, 2, 6, 7 and 8 of Article 4 of this Decree, Ministry of Agriculture and Forestry also has other responsibilities as following:

1. Using techniques of Investigation that associated with its roles and mandates to investigate the predicate offences such as environmental crime and others in order to further prosecution of Money Laundering and Financing of Terrorism cases;
2. Be in charge in implementing its obligations for both national and international about activities of Anti-Money Laundering and Counter-Financing of Terrorism;
3. Requesting information from reporting entities and AMLIO and providing relevant and necessary information such as the statistics on environmental crime and others that associated with activities of Anti-Money Laundering and Counter-Financing of Terrorism to relevant competent authorities and AMLIO regarding to a requested.

Article 10: The Responsibilities of Ministry of National Defense

Besides the responsibilities that defined in Subparagraph 1, 2, 6, 7 and 8 of Article 4 of this Decree, Ministry of National Defense also have to responsible for investigating and interrogating the offences of money laundering that leading to the criminal proceeding in case of Money Laundering and Counter-Financing of Terrorism.

Article 11 The Responsibilities of Ministry of Public Security

Besides the responsibilities that defined in paragraph 1, 2, 6, 7 and 8 of Article 4 of this Decree, Ministry of Public Security also have other responsibilities as following:

1. Using techniques of Investigation that associated with its roles and mandates to investigate the predicate offences parallel with financial investigation in order to further prosecution of Money Laundering and Financing of Terrorism cases;
2. Study on mechanisms and procedures to designate a target for list of assets that associated with Money Laundering and/or Financing of Terrorism for Postal Enterprises and Reporting Entities;

3. Study on mechanisms and procedures to determine a target for internal designation list of terrorism and/or counter-financing of terrorism and disseminate those lists to Postal Enterprises upon receiving from Ministry of Foreign Affairs;
4. Be in charge in implementing its obligations for both national and international about activities of Anti-Money Laundering and Counter-Financing of Terrorism;
5. Review and consider a completeness and adequacy of information in Financial Intelligence Report (FIR), as well as having a feedback or recommendation to such FIR to be able to make a criminal proceeding in case of Money Laundering and always report a result of investigation to AMLIO;
6. Requesting information from Reporting Entities and AMLIO as well as providing information such as investigation predicate offences or money laundering statistics and others related activities of Anti-Money Laundering and Counter-Financing of Terrorism to relevant competent authorities.

Article 12 The Responsibilities of State Audit Organization

Besides the responsibilities that defined in Subparagraph 1, 2, 6, 7 and 8 of Article 4 of this Decree, State Audit Organization also have other responsibilities as following:

1. Using techniques of Investigating - Interrogating that associated with its obligations to investigate and interrogate about the offences of money laundering such Abusing the authority, get a bribery, Give a bribery, and others that leading to the criminal proceeding in case of Money Laundering and Counter-Financing of Terrorism;
2. Be in charge in implementing its obligations for both national and international about activities of Anti-Money Laundering and Counter-Financing of Terrorism;
3. Requesting information from Reporting Entities and AMLIO, as well as providing relevant and necessary information such the Corruption behavior statistic at central level and local level per annual and others that associated with activities of Anti-Money Laundering and Counter-Financing of Terrorism to relevant Officers and AMLIO regarding to a requested.

Chapter 3

The Responsibilities of Reporting Entities for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism

Article 13 Reporting Entities

Reporting Entities have a responsibility for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism as following:

1. All forms of Credit Lending Companies, Pawnshops, Leasing Companies, Money Transfer Service Companies, Currency Exchange Bureau, Insurance Companies, and Asset Management Companies;
2. Commercial Banks and Micro-Finance Institutions;
3. Companies or Agents that provide and manage financial payment tools, Real Estate Trading Agencies, Valuable Material and Antique Trading Business, a Bar association or a Legal firm, Notary public, External Auditing firms, and Casinos.

Article 14 The Responsibilities of Reporting Entities

Reporting Entities have a responsibility for implementing the Activities of Anti-Money Laundering and Counter-Financing of Terrorism as following:

1. Developing Anti-Money Laundering and Counter-Financing of Terrorism programs as defined in detailing in Subparagraph 2 to 16 of this Article with the approval by Board of Directors and other relevant organizations;
2. Developing, propose a policy developing and regulations to Board of Directors or Directors to consider in accordance with its rights and obligations;
3. Establishing the Department, Sector or Nominate the data collection staff and reporting staff as defined in the regulation of reporting on suspicious transaction for Money Laundering or Counter-Financing of Terrorism;
4. Nominate an Internal Auditor to monitoring and auditing the implementation of Anti-Money Laundering or Counter-Financing of Terrorism activities and then report the outstanding information to AMLIO;
5. Evaluate, Risk Assessment and Create a Manual on Know your customers and Customer due diligence as defined in the Agreement on Know Your Customers and Customer Due Diligence;
6. Developing and Implementing a professional training program for its staff as regularly and report to AMLIO as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism;
7. Collecting information in details about customers as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism;
8. Collecting information about customer's transactions as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism;
9. Monitoring customers who are Politically Exposed Persons (PEPs) as defined in Agreement on Know Your Customers and Customer Due Diligence;
10. Inspecting its customers upon receiving a notification about list of natural person relating to terrorist or financing of terrorism from AMLIO as defined in Order on the withholding, Freezing and Seizure of funds relating to Terrorist or Financing of Terrorism No.03/NCC, dated 11 February 2016,
11. Records keeping as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism;
12. Postpone a transaction as defined in the regulation of reporting on suspicious transaction for Money Laundering or Counter-Financing of Terrorism;
13. Cash Transactions Report as defined in the regulation of reporting on cash Transaction report and Decision on the reporting of Wire Transfers in exceeding the specified limit more than threshold and other transactions as defined by AMLIO;
14. Suspicious Transaction Reporting as defined in the regulation of reporting on suspicious transaction for Money Laundering or Counter-Financing of Terrorism
15. Confidentiality as defined in the regulation on Anti-Money Laundering and Counter-Financing of Terrorism;
16. Developing a Technology System that able to connect with AMLIO.

For Commercial Banks, besides the responsibilities that defined in First paragraph of this Article, Commercial Banks also have other responsibilities as following:

1. Communicate with Corresponding Bank as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism;

2. Data Collection on Wire Transfer as defined in the Law on Anti-Money Laundering and Counter-Financing of Terrorism, and the regulation on Wire Transfer more than threshold;
3. Monitoring Anonymous Accounts as defined in the Order of the Chairman of National Coordination Committees for Anti-Money Laundering and Counter-Financing of Terrorism on Enhancing Monitor and Inspect the Anonymous Accounts.

For Micro-Finance Institutions, besides the responsibilities that defined in First paragraph of this Article, Micro-Finance Institutions also have a responsibility for monitoring the anonymous Accounts as defined in the Order of the Chairman of National Coordination Committees for Anti-Money Laundering and Counter-Financing of Terrorism on Enhancing Monitor and Inspect the Anonymous Accounts.

Chapter 6

Final Provisions

Article 15 Implementation

Assigned to Bank of Lao PDR to act and co-operate with Ministries, Relevant Organizations to implement this Decree effectively.

Ministries, Organizations, Local Authorities, Reporting Entities and other relevant Organizations to be acknowledged and to implement this Decree strictly.

Article 16 Effectiveness

This Decree shall come into force upon the date of signature and after 15 days of publishing in the official gazette.

Any provisions contradicting with this Decree are hereby revoked.

The Government of Lao PDR
The Prime Minister

(Seal and Signature)

H.E. Mr. Thongloun SISOULITH