

Datasheet for business formalities.

Technical Assistance for Business Regulation Review and Rationalization in Lao PDR

REGISTRATION DATA		
Name of formality	License to Establish a Custodian Bank	
Type of formality	License	
Formality Code	Date of last modification	Responsible Authority
BoL-LSCO-16	27.12.2017	Lao Securities Commission Office

BACKGROUND DATA	
Means of presentation	At the Authority Offices
Specific sector linked to the formality	K - Financial and insurance activities
Purpose for enforcing the business formality	Since the custodian bank has the duties to protect, supervise and represent the investors in the management of the investor's assets (cash and securities); therefore, it is highly necessary that this Formality shall be issued in order to ensure and prevent the risk that may be incurred on the investors.
Who should complete this business formality?	A domestic or foreign commercial bank that intends to be the custodian bank that has the main duties to protect and supervise the assets of the investor, clearing and settlement of securities transaction and acting on behalf of investors to protect rights and other benefits that investors are entitled to.
The formality has online information?	YES
Link to online information	http://www.lsc.gov.la
The formality has an application form?	YES
Any additional comment concerning the formality	After receiving this Formality, the Custodian Bank shall publicise the approval through mass media at least for 5 consecutive working days.

REQUIREMENTS AND SUPPORTING EVIDENCE	
Time it takes to the authorities to process the formality	45
Qualifications needed by the business to get the formality	1. Having sound financial liquidity and being recognized by investors 2. Complying with the regulations relating to the stability prescribed by the Bank of Lao PDR 3. having secured and sound asset supervision and management systems, internal audit system and risk management system, including monitoring system for cash accounts and securities accounts 4. having a securities clearing and settlement system which is secured and flexible, both domestically and internationally 5.

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REQUIREMENTS AND SUPPORTING EVIDENCE	
	having IT system in place for connecting to relevant parties and that can ensure high security; 6. entering into contracts with Lao Securities Exchange (Depository Center) and securities companies; 7. employees must be qualified with at least bachelor degree in finance-banking field or in related fields and with at least 3 (three) years work experience in the field, and never been sentenced by court on criminal charge such as frauds, asset appropriation, counterfeiting documents, receiving or giving bribery, corruption or money laundering, and never been criminalized in securities business; 8. For a foreign commercial bank wishing to operate as a custodian bank in Lao PDR, in addition to conditions stipulated above, there are additional conditions to be met as: have entered into a joint venture contract with a commercial bank which is incorporated in Lao PDR to act as a correspondent bank for settlement of cash or securities; and it must come from countries, which Lao Securities Commission has relations and cooperation with by signing MOUs.
Is there any reason for the authority to deny the issuing of the formality?	In case of the applicant does not have the required qualification or does not meet the required conditions.

RENEWAL INFORMATION	
Does the formality have a validity or an expiration date?	How long will the formality be valid for? (in months)
NO	0
What is the process and conditions to renew the formality?	No renewal requirement but the applicant shall pay the Annual Management Fee

ISSUING FEES				
Has application fees?	Service fees businesses need to disburse	Certificate fees businesses need to disburse	Application fees businesses need to disburse	Total fees businesses need to disburse
YES	0.00	20000000.00	5000000.00	25000000.00
Comments	Reference: LSCO Regulation No. 010/LSCO			

RENEWAL FEES				
Has renewal fees?	Service fees businesses need to	Certificate fees businesses need to	Renewal fees businesses	Total renewal fees businesses

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RENEWAL FEES				
	disburse	disburse	need to disburse	need to disburse
YES	0.00	0.00	30000000.00	30000000.00
Comments	The enterprise does not need to renew the Formality but it shall pay the Annual Management Fee.			

LEGAL FRAMEWORK			
Name	Number	Date	Comment
Law on Securities	21/ສພຊ	10.12.2012	Part IV Securities Intermediaries Chapter 3 Custodian Bank (Article 78 to 83)
Regulation on Custodian Bank	010/ອອຊ	07.05.2014	Chapter 2 Application to be the Custodian Bank (Article 3 to Article 7) Chapter 4 Obligations and Fees (Article 12)

REQUIRED DOCUMENTS	
Document Name	Comment
Certificate for Enterprise Registration of Company Limited	ສໍາເນົາ
Criminal Certificate	ໃບແຈ້ງໂທດບໍ່ໃຫ້ເກີນ 3 ເດືອນຂອງຜູ້ບໍລິຫານ ແລະ ພະນັກງານທີ່ກ່ຽວຂ້ອງຂອງພະແນກດູແລຊັບສິນ
Curriculum vate	ຊີວະປະຫວັດຫຍໍ້, ປະສົບການ, ການຝຶກອົບຮົມ ບໍ່ໃຫ້ກ່າຍ 3 ເດືອນຂອງຜູ້ບໍລິຫານ ແລະ ພະນັກງານທີ່ກ່ຽວຂ້ອງຂອງພະແນກດູແລຊັບສິນ
Internal Operation Manual	ລະບຽບການ ແລະ ຄຸ້ມຄອງທີ່ກ່ຽວຂ້ອງຂອງພະແນກດູແລຊັບສິນ
Organization Chart of the Enterprise	ໂຄງປະກອບການຈັດຕັ້ງຂອງພະແນກດູແລຊັບສິນ ພ້ອມທັງກຳນົດພາລະບົດບາດ, ສິດ ແລະ ໜ້າທີ່ ແລະ ຂອງຂະແໜງການທີ່ກ່ຽວຂ້ອງ ພາຍໃນພະແນກດູແລຊັບສິນ
Business Plan	ບົດສະເໜີກ່ຽວກັບການເຄື່ອນໄຫວເປັນທະນາຄານດູແລຊັບສິນ
Certification of Financial and Asset / Financial Statements	ເອກະສານລາຍງານການເງິນ 3 ປີຄົ້ນຫຼັງ ຫຼື ນັບແຕ່ວັນສ້າງຕັ້ງທີ່ໄດ້ຮັບການກວດສອບ
Resolution of Board of Director	ມະຕິຂອງກອງປະຊຸມສະພາບໍລິຫານ

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STATISTICS (Issue or/and renewed number)		
Year	Issued	Renewed
2016		

LIST OF ATTACHED DOCUMENTS		
Name of document	Type of document	File of document
Application Form	Application form	599fad71b3cb1.pdf