

Unofficial translation



Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

Government of Laos

Ref. No. 461/GoL

Vientiane capital, dated 3 June 2019

Decision

on Import and Export of Gold Business as an International Payment

- Pursuant to the Law on the Bank of Lao PDR (amended) Ref. No. 47/NA, dated 19th June 2018;
- Pursuant to the Law on International Finance Management Ref. No. 55/NA, dated 22nd December 2014;
- Pursuant to the study and proposal of the relevant Departments.

The Governor of the Bank of Lao PDR Issues the Decision

Chapter 1

General Provisions

Article 1 Objectives

This Decision determines the rules, regulations and procedures of licensing operations and limit the movement on the operations of import-export of gold internationally using tools payments between countries to expand areas of law covered foreign countries, aimed to conduct business efficiently, according to law and regulations, as well as attract Investment from overseas and contribute to the social-economic development.

Article 2 Import-Export of Gold Business as an International Payment Instrument

The gold business as an International Payment Instrument is pure gold, which meets the 99.99% standard.

The Import and export of gold business as an International Payment Instrument is the business of a commercial entity licensed by The Bank of Lao PDR to import and export gold to trade with domestic precious metals processing companies.

Article 3 Terms Used

The terms used in this Decision as the following:

- **Gold** means an International term used as an international payment instrument.
- **Gold business operator** means those who are authorized to proceed international import - export of gold business as international instruments from the Bank of the Lao PDR.
- **Import-Export of Gold Business** means the business of a limited company in order to conduct an international import-export of gold business as an international payment instrument.

Article 4. Scope of Use

This Decision applies to both the applicants for a business license and the import and export of gold business operators in the Lao PDR.

Chapter 2

Import-Export of Gold Business Operation

Article 5 Capital Registration

The import-export of gold business must have a minimum registered capital of 20,000,000,000 (twenty billion) Kip, which is 80% minimum and 20% maximum fixed assets. For such a turnover capital must be a clear and legitimate source of capital and must be deposited with a commercial bank in the Lao PDR. The registered capital can be withdrawn and used to conduct the import-export of gold business and technical equipment from the date of the license of the import-export of gold business and must be used only for the import and export of gold business.

Article 6: Conditions for Issuing Gold Business Licenses

The Bank of Lao PDR shall consider the import-export of gold to the licensee based on the following terms:

1. Have been properly registered in accordance with the relevant laws and regulations of the Lao PDR;
2. Have full and legal capital as specified in Article 5 of this Decision;
3. Have an effective business plan;
4. Have a proper office location and secure service;
5. Never hss been convicted of fraud or scam;
6. Never has been revoked the license to import or export of gold business before.

Article 7 Filing Petition

Any person who wishes to run the import-export of gold business must submit the application form for import-export of gold business with the Bank of Lao PDR's Monetary Policy Department after having been granted the registration as follows:

1. The application for business operation in accordance with the format of the Bank of the Lao PDR;
2. The profile of the directors or shareholders;
3. Business plan;
4. Financial statement and secondary financial statement;
5. A copy of the enterprise registration certificate and a copy of the proposal issued by the Ministry of Industry and Commerce (certified original documents);
6. Organizational structure and internal rules of the company;
7. Map of the office approved by the village administration;
8. Certificate of residence (for Lao citizen);
9. Criminal record (for Lao citizen);
10. Copy of ID card (for Lao citizen);
11. Copy of passport (for foreign investors);
12. Power of attorney for the representative to coordinate with the Bank of Lao PDR (In case the applicant is unable to come in person);
13. Photograph of 3, 3x4 of the applicant (no more than 90 days).

Article 8 Renewal of Gold Business License

The Import and Export of Gold Business License is valid for 01 year from January to December of each year.

Business operators who are intending to continue their import-export of gold business must apply for a license to conduct business with the Bank of the Lao PDR, Monetary Policy Department before the expiration of the 30-days license with the following documents:

1. Application for renewal the import and export of gold business in accordance with the format of the Bank of the Lao PDR;
2. A copy of the annual import and export of gold business license;
3. A copy of the enterprise registration license;
4. A certificate of annual tax payment;
5. Annual financial statements or annual summary statements;
6. Secondary account statement reports at the commercial bank with one year in operation;
7. Power of attorney for the representative to coordinate with the Bank of Lao PDR (In case the applicant is unable to come in person);
8. Photograph of 3, 3x4 of the applicant (no more than 90 days).

Article 9 Changes in Capital Registration

Importers and exporters with the intention of changing their capital registration can apply for a license to convert their registered capital to the Monetary Policy Department of the Bank of Lao PDR by providing the following documents:

1. An application for change in registration capital;
2. A copy of the annual import and export of gold business license;
3. A copy of the enterprise registration license;
4. Certificate of annual tax payment or annual account summary;
5. Statement of reserve accounts at the Bank which has been active for one year;
6. Power of attorney for the representative to coordinate with the Bank of Lao PDR (In case the applicant is unable to come in person);
7. Photograph of 2, 3x4 of the applicant (no more than 90 days).

Article 10. Change of Location of Import and Export of Gold Business License

Import and export of gold business operator that is in need of changing the location of the company should request to change the location of the company with the Monetary Policy Department of the Bank of Lao PDR for 30 days in advance and must include the following documents:

1. Application to change company location;
2. A copy of the annual import and export of gold business license;
3. A copy of the enterprise registration license;
4. Location certificate and a new office map from the village administration;
5. Power of attorney for the representative to coordinate with the Bank of Lao PDR (In case the applicant is unable to come in person);
6. Photograph of 2, 3x4 of the applicant (no more than 90 days).

Article 11 Consideration of Applications

The Bank of Lao PDR shall research and respond to proposals for the import and export of gold business licenses within 30 business days from the receipt of accurate and complete applications.

Renewal of gold business license, change of capital registration, amendment of business license for import and export of gold will be considered and reported in writing within 15 business days of receipt of completed and valid application.

In addition to the documents referred to in Article 7-10 of this Decision, the information provided is not sufficient for research, and the Bank of Lao PDR may request other related documents.

The Bank of Lao PDR shall hereby respond to any application for license, renewal of license, amendment of capital, amendment of import license, export of non-compliant or incomplete transcript as set forth in Article 7-10 of this Decision in writing and resend the documents to the applicants. Rejected applications may re-submit the application and re-submit the document and provide a reason to the Bank of Lao PDR for reconsideration on the terms and conditions required.

Licensee and approved licensee for import-export business must pay charges for the following documents:

1. Application for import and export license of 200,000 Kip per set;

2. Issuance of new business licenses for 0.01% (zero point zero, one percentage) of the registered capital, but not to exceed 5,000,000 Kip (five million kip);
3. An annual business license of 2,000,000 Kip;
4. Changes in the registered capital and amendments of the 300,000 kip for import and export of gold business license.

Article 12: Suspension and Withdrawal of Import and Export Gold Business License

A person who is licensed to operate import-export of gold business may request a temporary business suspension within 90 days, with reasons to confirm the need for the suspension, and if beyond that time, the business license will be revoked.

The Bank of Lao PDR will withdraw its import and export of gold business licenses in the following cases:

1. Do not conduct import and export of gold business for 90 consecutive days without cause or notice to the Bank of Lao PDR;
2. Import and export of gold business license expired more than 90 days;
3. Fine measures have been implemented, but continue to violate this Decision, and other applicable laws and regulations;
4. The company has been losing profits for 3 years and cannot fix it;
5. Having a judgment issued bankruptcy by a People's Court;
6. Business operators wish to dissolve their business voluntarily.

Chapter 3

Import and Export and Gold Trading

Article 13 Import and Export of Gold

Actual import or export gold, a business license holder must present the relevant licenses and relevant documents to the customs authorities at the international checkpoints to carry on import or export activities in accordance with applicable laws and regulations.

Article 14: Gold Trading

- Trading gold in form of either wholesale or retail domestically and internationally;
- Gold trading within Lao PDR shall be paid in Lao Kip and must have a receipt each time of purchasing;
- International purchase orders must provide a copy of the invoice each time of purchasing;
- Foreign and domestic gold trading must be paid through the banking system;
- Each gold transaction must collect the invoice and receipt every time as the reference for accounting document.

Article 15. Permission to Import or Export of Gold

Any person who is authorized to operate import and export of gold business for the purpose of importing or exporting gold must submit a request for approval to the Monetary Policy Department, the Bank of Lao PDR at any time, including the following documents:

1. Application for the license to import or export in accordance with the format of the Bank of Lao PDR;
2. Annual import and export of gold business license;
3. Business registration;
4. Purchase order or invoice;
5. Packing list.

Article 16 Consideration

The Bank of Lao PDR shall seek to issue a license for the import or export of gold within three business days from the date of receipt of the complete and accurate application.

The import and export of gold license is valid for a period of 7 days from the date of import license from the Bank of the Lao PDR. In the event of non-import or export of such period, the company shall notify the Monetary Policy Department and request the extension from time to time.

A person who is authorized to operate the import and export of gold business shall be required to pay for the charges upon the issuance of 50,000 kip each.

Chapter 4

Rights and Duties of the Import and Export of Gold Business Operators

Article 17 Rights of the Import and Export of Gold Business Operators

Import-export business owners have the following rights:

1. Importing of pure 99.99% of gold from abroad;
2. Exporting 99.99% of the pure gold for sale abroad;
3. Trading in domestic gold wholesale - retail in both cash and transferred money;
4. Opening a commercial bank account in Lao PDR to support business operations;
5. Adhere to this Decision, other laws and regulations strictly.

Article 18: Duties of the Import and Export of Gold Business Operators

Import-export business has the duties as following:

1. All import and export of gold licenses are issued to the Bank of Lao PDR at the time of import- export;
2. Comply with the annual import and export license;

3. Set prices and receive payments in Lao Kip within Lao PDR;
4. Label companies, according to regulations laid down by relevant sectors;
5. Attach his / her import and export of gold license in a public and transparent manner;
6. Have both Lao and foreign currency deposits with commercial banks in the Lao PDR to facilitate their business operations;
7. Compliance with customs duties in accordance with relevant sectors' regulations;
8. Perform other functions in accordance with applicable laws and regulations.

Chapter 5

Accounting, Inspection and Reporting

Article 19 Accounting System

Import-export of gold companies must follow the accounting system as set forth in the accounting and other accounting rules to monitor the import-export of gold business.

Article 20. Management and Inspection

The Bank of Lao PDR acts as a manager, monitor, inspector of the activities and implements the regulations of the importing companies on a monthly, quarterly, yearly basis and when deemed necessary.

Article 21. Reporting

An import and export of gold company must submit the following report to the Bank of Lao PDR:

1. Implement the accounting and financial reporting regime under the Ministry of Finance's accounting regime;
2. Report to the Bank of Lao PDR within 3 days after the actual application of import or export of gold.

Chapter 6

Prohibitions and Measures against Violators

Article 22 Prohibitions

Prohibit the import and export of gold business operators to behave as follows:

1. Import and export gold without permission;
2. Open an account with a foreign bank;

3. Provide services and/or consulting services on the international gold index in foreign markets;
4. Hold an expired Import and export of gold license more than 30 days;
5. Handover a import and export of gold business license to any persons for any purpose;
6. Change of company location without permission;
7. Interrupt or do not facilitate the operations of the authority;
8. Have any other activities in violation of this Decision, as well as any applicable laws and regulations.

Article 23 Educational Measures

Import and export of gold business operators who violate Article 22 of this Decision will first be subjected to educational measures, and warned by the Bank of Lao PDR and in the writing form.

Article 24: Fine Measures

Import and export of gold business operators who have already taken educational measures and who still continue to violate this Decision will be subjected to fine in each case as follows:

1. Each unauthorized import and export of gold shall be fined five million (5,000,000) Kip each;
2. Opening an overseas account without the permission of the Bank of Lao PDR shall be fined 20,000,000,000 Kip;
3. Providing service or advisory service trading of the gold index on the international market without an approval shall be fined thirty million (30,000,000) Kip, in the event that any business operator providing both services and consulting services will be fined fifty million (50,000,000) Kip;
4. Import and export of gold license that expires after 60 days will be fined ten million (10,000,000) Kip each time;
5. Issue licenses to Import and export of gold business operators for any other purposes, which shall be fined twenty million (20,000,000) Kip at a time;
6. Replacement of unauthorized company's premises without permission shall be fined ten million (10,000,000) Kip each time.

Chapter 7

Final provisions

Article 25 Implementation

The Monetary Policy Department coordinates with relevant sectors and local authorities to monitor the implementation of this Decision effectively.

The person requesting permission and the person who is authorized to operate the import and export of gold business is strictly obliged to implement this Decision.

Article 26 Effectiveness

This Decision is effective from the date of its signature and displaces the Regulation on the Establishment and Management of Import and Export of Precious Goods Company Ref. No. 01/BOL, dated 15th May 2007.

Any Decisions or regulations that were previously into forced which are in conflict with this Decision shall be terminated.

Governor of the Bank of Lao PDR

(Sign and Seal)

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