



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Bank of the Lao PDR No.677/BOL

Vientiane capital, dated 24 July 2023

**Decision on The Management of Foreign Exchange for Importing-Exporting
Commodities and Services**

- Pursuant to Law on Bank of the Lao PDR (Revised) No.47/NA, dated 19 June 2018.
- Pursuant to Law on the Management of Foreign Exchange (Revised) No.15/NA, dated 7 July 2022.
- Pursuant to Order on the Implementation of Foreign Exchange Management No.10/PM, dated 14 July 2023.
- Pursuant to the research of the Department of Foreign Exchange Management collaborated with the relevant Agencies.

The Governor of the Bank of Lao PDR agrees:

Category 1
General Provision

Article 1. Purpose

This decision is defined the principles, rules and measures to manage the foreign exchange for importing-exporting commodities and services in order to encourage the transaction of inward and outward remittance for payment of goods and services via the bank system, as well as to enhance the capacity the status of payment with overseas and foreign currency reserves in terms of preserving the national monetary stability.

Article 2. The Management of Foreign Exchange for Importing-Exporting Commodities and Services

The management of foreign exchange for importing-exporting commodities and services is the implementation of the principles, rules and measures which are related to inward and outward

Unofficial translation

remittance for payment of goods and services of importers and exporters via the bank system in accordance with this decision and relevant regulations.

Article 3. Term of Interpretation

Term of wording which is used in this Decision has the meaning as below:

1. Importer-exporter refers to legal entity which is operating business related to import-export goods and services, shall be certified the registration as the importer-exporter for goods and services by Industry and Commerce sector.
2. Commodity refers to the products which have the value on economy, which are imported and/or exported for the purpose of production, processing, use and sale as prescribed on the guidebook of commodities and tariff rate uniform system.
3. Service refers to the service for tourism, education, health, insurance, transportation, telecommunication, labor and other services.
4. Commercial bank refers to the state-owned commercial bank, state joint venture commercial bank, private commercial bank, commercial bank which is the sub-bank of overseas bank and branch of commercial overseas bank, which are approved to be established and operated as prescribed on Laws.
5. Electronic fund transfer refers to the transaction between the bank account by electronic system such as wire transfer, application programming interface (API), SWIFT.
6. Letter of Credit or L/C refers to the letter of warrantee payment which the commercial bank issues for importer in order to purchase goods from overseas.

Article 4. The Scope of Use

This decision is used for importer-exporter and commercial bank.

Category 2

The Notification of Registration and Open Bank Account for Import-Export

Article 5. Registration

Importer-exporter shall register at the Bank of Lao PDR within 30 working days after receiving the certificate of importer-exporter registration from Industry and Commerce sector, then apply for the certificate of importer-exporter notification registration to open the bank account for import-export at the commercial bank.

The list of documents for applying the certificate of importer-exporter notification registration as below:

1. Fill the information in accordance to the format of Bank of Lao PDR.
2. Copy of the certificate of importer-exporter registration.
3. Copy of investment license and/or business license.
4. The permit of relevant operating business (if any).
5. Other documents as prescribed by the Bank of Lao PDR.

For importer-exporter who has used several bank accounts previously shall inform the information of all bank accounts which have been opened at the commercial banks as the format of the Bank of Lao PDR.

Article 6. Consideration of Issuing the Certificate of Importer-Exporter Notification Registration

The Bank of Lao PDR will consider for issuing the certificate of importer-exporter notification registration within 5 working days from the date of receiving the correct of complete documents.

Article 7. Open the Bank Account for Import-Export

Importer-exporter shall open the bank account for import-export with the commercial bank within 10 working days from the date of receiving the certificate of import-export registration.

The commercial bank which has the conditions of payment service for import-export has the duty to open the bank account for import-export according to the notification certificate of import-export registration from the Bank of Lao PDR.

Category 3

Payment and Receive of Payment for Goods and Service Fee with Overseas

Article 8. The Conditions of the Commercial Bank which Services Payment for Import-Export

The commercial banks which service the payment for import-export shall have the conditions as below:

1. Have the rules and/or guideline for payment service of import-export.
2. Have the unit to take responsibility for managing the service that related to import-export.
3. Have the employers who are suitable and trained about the service that related to import-export from the Bank of Lao PDR.

4. Have the electronic transfer system in order to provide the payment and receive of payment with overseas in accordance with the legislation of the Bank of Lao PDR.
5. Have the financial products to facilitate import-export of goods and services such as letter of credit, financial products which can protect the risk of exchange rate.
6. Have other conditions as defined by the Bank of Lao PDR.

Article 9. The Obligations of Commercial Bank for Payment Service

For payment service of import-export, the commercial bank shall have the obligations as below:

1. Check the accuracy and completion of import-export documents.
2. Monitor, check the payment and receive payment of goods and services with overseas of importer-exporter to be proceeded via bank system and the import-export bank account. In case if find any payments and receive payments which are not consistent, bank shall encourage importer-exporter to comply with the legislation and report to the Bank of Lao PDR.
3. Reject the payment of goods and services with overseas via other bank accounts which are not the bank account for import-export.
4. Collect, summarize and report the statistic of the bank account for import-export, payment, receive payment, foreign exchange and other activities under the bank account of importer-exporter to the Bank of Lao PDR every day, month, quarter, yearly or as requested by the Bank of Lao PDR.
5. Implement other obligations in accordance with law and legislation.

Article 10. The Payment of Goods and Service to Overseas

Importer shall only use the bank account of import-export for making the payment of goods and service fee with overseas via the electronic transfer and complete the documents as below:

1. Request letter of money transfer as the form defined by the commercial bank.
2. Copy of the invoice of goods and service fee or relevant quotation documents.
3. Copy of sale contract of goods and services (if any).
4. Copy of tax payment certificate.
5. Copy of customs declaration documents. In case of advance payment for goods, importer shall provide the customs declaration document within 7 days after declaring import those goods.

6. Copy of the import permit (in case of goods are under the list of items which need to be apply for import permit with relevant agencies)
7. Copy of the certificate of importer-exporter registration.
8. Copy of the investment permit and/or business license.
9. Copy of the operating business license (if any).
10. Other documents as prescribed by commercial bank.

Article 11. Receive the Payment for Goods and Services

Exporter shall receive the payment for goods and services from overseas through the bank account for import-export via the electronic transfer within the date as identified on the sale contract but not over than 180 days from the date of export at the border checkpoints for goods or from the date of payment as identified on the contract for services.

After receive the payment for goods and services from overseas, exporter shall copy the documents which are related to the payment and provide to the commercial bank as below:

1. Sale contract or the certificate of selling-buying which is related to overseas.
2. Invoice of goods and service fee.
3. Customs declaration document for exporting goods.
4. Copy of the export permit (in case of goods are under the list of items which need to be apply for export permit with relevant agencies)
5. Income plan of exporter.
6. Other documents as prescribed by commercial bank.

Article 12: Preserving the Income of Export in Overseas

Exporter who wants to preserve the income of export in overseas in order to pay loans shall apply the permission with the Bank of Lao PDR, which will be considered under the criteria of the key national projects.

Documents for applying the permission as below:

1. Copy of the concession contract.
2. Copy of the investment license and/or business license.
3. Copy of the operating business license (if any).
4. Copy of the license of loan in overseas.
5. Copy of the contract of loan.
6. Other documents as prescribed by commercial bank.

The Bank of Lao PDR shall consider the permission within 30 working days from the date of receiving the accurate and complete documents.

Category 4

Prohibition

Article 13. Prohibition for Importer-Exporter

Importer-Exporter shall do not perform as below:

1. Do not register for importer-exporter at the Bank of Lao PDR in timely manner.
2. Do not open the bank account for import-export at the commercial bank in timely manner.
3. Use other types of bank account which are not the bank account for import-export to pay and/or receive the payment of goods and services with overseas.
4. Receive the payment for goods and service from overseas via other platforms which are not the system of bank transfer.
5. Transfer the income from export to other types of bank account or transfer incorrect amount of money as presented on the sale contract or relevant certificate of selling-buying to the bank account of import-export.
6. Keep the income of export in overseas which is not approved by the Bank of Lao PDR.
7. Other performances which violate laws and regulations.

Article 14. Prohibition for Commercial Banks

Commercial banks shall do not perform as below:

1. Provide the service of payment for goods and service fee to overseas through other types of bank account which are not the bank account for import-export.
2. Open the bank accounts for importer-exporter which are not complied to the regulations.
3. Do not collect, summarize and report the statistic of the bank account for import-export, payment, receive payment, foreign exchange and other activities under the bank account of importer-exporter to the Bank of Lao PDR.
4. Other performances which violate laws and regulations.

Category 5

The Management of Foreign Exchange for Import-Export

Article 15. The Management of Foreign Exchange for Import-Export

Foreign exchange management department has the responsibility to manage foreign exchange for import-export by collaborating with monetary policy department, commercial bank management department, branches of the Bank of Lao PDR in provincial and other relevant agencies.

Article 16. The Rights and Duties of Foreign Exchange Management Department

In order to manage foreign exchange for import-export, the department of foreign exchange management has the rights and duties as below:

1. Research the policies and legislations which are related to manage foreign exchange for import-export in order to provide the high level takes into the consideration.
2. Monitor, check the importer-exporter about opening bank account, bring the income from export to the bank account for import-export, revenue plan and the transaction of those accounts.
3. Research the tracking system of money flow from import-export to be modernized.
4. Exchange the information and coordinate with monetary policy department, commercial bank management department, branches of the bank of Lao PDR in provinces and other relevant agencies in order to create the plans and implement the plans for investigating the commercial banks. Perform others duties as prescribed.
5. Take action to a person who violates this Decision.
6. Summarize and report about the management of foreign exchange for importing-exporting goods and services.
7. Take the rights and other duties as prescribed by Laws and regulations.

Article 17. The Rights and Duties of Monetary Policy Department

In order to manage foreign exchange for import-export, the department of Monetary policy has the rights and duties as below:

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1. Research the tools of exchange rate policy in order to encourage and support the management of foreign exchange for import-export.
2. Coordinate and exchange the information with foreign exchange management department to include in management the exchange rate and use for create and estimate the statistic of balance payment with overseas.
3. Take the rights and other duties as prescribed by Laws and regulations.

Article 18. The Rights and Duties of Commercial Bank Management Department

In order to manage foreign exchange for import-export, the department of Commercial bank management has the rights and duties as below:

1. Encourage the commercial banks to take roles and duties as prescribed on this Decision.
2. Collaborate with foreign exchange management department to create plans and implement plans to investigate the commercial banks about the implementation of this Decision.
4. Take the rights and other duties as prescribed by Laws and regulations.

Article 19. The Rights and Duties of Bank of Lao PDR in provincial

In order to manage foreign exchange for import-export, the bank of Lao PDR has the rights and duties as below:

1. Monitor and encourage importer and exporter to open the bank account for import-export.
2. Monitor the report of importer and exporter for the import-export transactions via the electronic system of Bank of Lao PDR after processing transactions.
3. Monitor the transactions of import-export bank account through the report of the commercial banks.
4. Coordinate with relevant agencies to implement this Decision.
5. Take action to a person who violates this Decision.
6. Summarize and report about foreign currency for import-export to foreign exchange management department in each period.
7. Take the rights and other duties as assigned by the committee of Bank of Lao PDR governor.

Category 6

Prohibitions to Violators

Article 20. Educated Measure

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Importer-exporter and commercial bank who violate this Decision lightly and firstly will be educated, warned and recorded.

Article 21. Fine Measure

Importer-exporter and commercial bank who violate this Decision and have been taken the educated measure, but still continuing against shall be fined as each case below:

1. For importer-exporter

- 1). Fine 10,000,000 (ten million) kip if violate Article 13 point 1, 2 and 3 of this Decision.
- 2). Fine 10% (ten percent) of the total amount of violation the Article 13 point 4 and 6 of this Decision.

2. For commercial banks shall be fined 5,000,000 (five million) kip per time if violate Article 14 of this Decision. In case of duplicating violation, shall be fined double of the total amount of latest penalty.

Article 22. Other Measures

Importer-exporter shall be educated and fined in accordance with Article 20 and 21 of this Decision. If still continuing violation in each case, shall be punished by other measures as prescribed on Article 56 of Law on Foreign exchange management.

Category 7

Final Provision

Article 23. Implementation

Foreign exchange management department shall be a key person who implement this decision effectively.

Monetary policy department, commercial bank management department, branches of the bank of Lao PDR in provincial and other relevant agencies shall strictly implement this Decision according to the roles.

Article 24. Effectiveness

This Decision is effective since the date of signature.

Any provisions which are against to this Decision shall be terminated.

Governor of the Bank of Lao PDR

Bounluea Sinxayvoravong