

LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Bank of The Lao
PDR

No.01/BOL
Vientiane, 5 February 2004

**Additional Instruction for Implementation of Some Articles of The Instruction
no.02/BOL of 29 September 2003**

To: ALL BOL branches and commercial banks including Agriculture Promotion Bank.

exchange. The bank that signed the permit to bring in the merchandise of a customer shall supply this customer with foreign exchange as well. In case the bank cannot supply according to the demand of the customer, the bank should not sign the permit. In case of the original tax payment document, if the customer wants to keep it, the bank shall make a copy of this.

Regarding Article 5 section 5.4 on the application to buy foreign currency for remittance of profit and dividend of a foreign company which has no income in foreign currency back home or to a third country, tax payment certificate here refers to receipt or payment certificate for profit tax, income tax, dividend tax and other tax issued by the tax Department or the tax section based on the tax law of Lao PDR. Regarding Article 20.1 and 20.2 on money transfer to a foreign country, tax payment certificate here also has the same mea³. **Regarding the foreign currency transfer through the banking system for domestic payment in Article 7**

Any money transfer of a bank customer to pay for goods or services, within the country shall be done in kip, while, acknowledging the contract or commitment in foreign currency of its customers if there is any, but the actual payment shall be made in kip according to the bank's exchange rate of th

BOL allows embassies, international organizations operating in the Lao PDR and the foreign investment projects using foreign workers and specialists, holding a deposit account with a commercial bank in the Lao PDR, to withdraw more US\$10,000 or its equivalent as much as they need to pay for the salaries of those foreign staff in one day. In this case, in order to make convenience, the commercial bank shall encourage their customers to open bank accounts for their staff at the bank and to pay their staff through those bank accounts.

There is no limit for foreign currency deposit in cash to an existing account of an individual or a legal person, but in case the amount is very large, the management of the bank shall consider it and use the knowledge about

« know your customers principles » to ensure that only clean money enter the bank. The bank shall report this to the BOL (Foreign Currency Department and Banking Supervision Department) and monitor the transferring of this account.

4. Regarding the management of income in foreign currency in Article 11

An individual or a legal person residing in the Lao PDR, having income in foreign currency from exporting goods and services, shall bring these incomes to the Lao PDR within 120 days starting from the date of the delivery at the border (date of the FOB).

Exemptions from bringing those incomes into the Lao PDR shall be made for the following:

1. Part of the income using for external loan repayment that has been approved by BOL and has been registered with the BOL according to Article 17.1 of the Instruction.
2. Part of the income using for payment of an external letter of credit that has been approved by the BOL according to Article 17.2 of the Instruction.
3. Part of the income specified in the contract between the Government and the foreign investor.

For s15.9(e)-4.2(h)17(n)-58(ing)-(n)x

This notification will take effect one week after its signature date onward.

Governor of the BOL.

Phoumy Thipphavone ning as explained in the beginning of this paragraph for Article 5.4 .

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5. Regarding the bringing in and out of the Lao PDR the foreign currency in Articles 12 and 14 of the Instruction.

Regarding Article 12, an individual or corporate person who takes more than US\$ 2,000 or its equivalent amount in some other currency into the Lao PDR through the international check point, shall declare this to the customs officials in full to receive a capital importation slip from the officials to use as proof when he/she wants to take this money back out of the Lao PDR. If this is a very large amount or the investment capital, he/she will be advised to deposit in an account of a commercial bank. Customs officials at the check point shall send a copy of these capital import slips to the foreign currency Department of the BOL everyday. In the provinces where there is a BOL branch, approval for taking in or out foreign currency of more than US\$ 2,000 or its equivalent in some other currency or more than 5,000,000kip can be done from this branch. In the provinces where there is no BOL branch, the BOL will authorize a branch of a state commercial bank in that area to issue such approval.

The BOL will authorize its branches to implement Article 14 of the Instruction in provinces to allocate its responsibility. (There will be a separate notice from BOL).

6.

Phoumy Thippavone