

Datasheet for business formalities.

Technical Assistance for Business Regulation Review and Rationalization in Lao PDR

REGISTRATION DATA		
Name of formality	License to Establish Securities Company	
Type of formality	License	
Formality Code	Date of last modification	Responsible Authority
BoL-LSCO-9	26.08.2017	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 securities company has the primary duty to provide advice and to prepare a company that will offer their securities to the public, it is necessary to ensure the quality and competence of the securities company with the goal to prevent the impact and risk that may be incurred on the general public from the investment in a poor quality company.
Who should complete this business formality?	Individuals or legal entity that intends to establish the Securities Company that can conduct the following businesses: 1. Financial Advisory Service (giving advice on the corporate restructuring, administrative and financial management of the company that is preparing to offer their shares to the public and registering in the Lao Securities Exchange); 2. Securities Broker (being an intermediary or agent for securities trading according to purchasing or selling orders of the customers and providing other financial advisor to the investors); and 3. Securities Underwriter (underwriting securities issued by means of assisting in sale of securities or purchasing securities partially or entirely from an issuer for the remaining portion in order to guarantee the success of issuance of securities).
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	1. In case that the applicant cannot meet all the required conditions required for the obtainment of the Permanent License within 180 days after the receipt of the Temporary License, the Temporary License shall be revoked, except the applicant can give a justifiable explanation and LSCO may allow for the extension of time to complete all those requirements for the maximum of 90 days. 2. After receiving the Permanent License, the investor shall apply for Enterprise Registration Certificate. 3. Securities Company that obtains the Enterprise Registration Certificate shall notify the general public via mass media of their establishment within 5 days

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BACKGROUND DATA	
	after the receipt of the Enterprise Registration Certificate.

REQUIREMENTS AND SUPPORTING EVIDENCE		
Time it takes to the authorities to process the formality	60	1. Review process for the issuance of the Temporary License shall be completed within 30 days; and 2. The Permanent License shall be issued within 30 days after the fulfilment of all the required conditions (i.e. the full paid-up capital contribution).
Qualifications needed by the business to get the formality	<p>1. Having the minimum registered capital of 5 Billion LAK for the financial advisor service; 30 Billion LAK for the Broker services; and 100 Billion LAK for the securities underwriting services 2. For the broker and securities underwriting services, having at least one shareholder that is a commercial bank established under Lao PDR and that shareholder shall hold more than 30%; and for the financial advisor service, having the domestic investor holds more than 10% of the total registered capital 3. Having good reputation and having the management that has knowledge and experience in securities, financial-banking or accounting fields at least 5 years. 4. Having the business plan for the first 3 years after the establishment. 5. Having good financial conditions as audited by the audit firm 6. Not being convicted or adjudicated in a criminal trial relating to embezzlement, fraud and other securities-financial-banking and accounting crime. 7. The applicant for establishment of the securities company from abroad shall be securities company and shall obtain the approval from Securities and Exchange Commission from that origin country 8. For the securities company that provides securities broker and underwriting services shall have the cooperation agreement with at least one custodian bank to ensure the settlement. 9. After getting the Temporary License, the investor shall contribute their equity capital in full. 10. Having the location and operating equipment that is sufficient and appropriate for the securities business. 11. Having the operational, audit, internal management and risk assessment system for each division. 12. Having securities technical staffs that have certificate of the securities expertise in the service field of that enterprise and having sufficient amount of technical staff. 13. Having the organisational structure that comprises of board of management, special committees for the management (i.e. Internal Audit Committee and Compliance Unit Committee) that have the qualifications and conditions as defined under the Law.</p>	
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

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RENEWAL INFORMATION	
What is the process and conditions to renew the formality?	No renewal requirement for this Formality; however, the enterprise shall pay the Annual Management Fee within the first quarter of the following year from the year of establishment.

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	100000000.00	20000000.00	120000000.00
Comments	Reference: LSCO Regulations No. 002/LSCO The Certificate fee shall be calculated at the rate of 0.1% of the registered capital (assuming the minimum registered capital for the securities underwriting that is 100 Billion LAK) and shall be paid upon the receipt of the Permanent License.			

RENEWAL FEES				
Has renewal fees?	Service fees businesses need to disburse	Certificate fees businesses need to disburse	Renewal fees businesses need to disburse	Total renewal fees businesses need to disburse
YES	0.00	0.00	30000000.00	30000000.00
Comments	The Annual Management shall be paid at the rate of 0.1% of the total annual revenue; provided that the minimum payment shall be 30,000,000 LAK and shall be paid within the first quarter of the following year.			

LEGAL FRAMEWORK			
Name	Number	Date	Comment
Law on Securities	21/ສພຸ	10.12.2012	Part IV Securities Intermediaries Chapter 1 Securities Company (Article 50 to Article 64)
Regulation on the Establishment and Operation of Securities Company	002/ຄຄຸ	24.07.2013	Article 3 to 7 , Article 13

REQUIRED DOCUMENTS

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REQUIRED DOCUMENTS	
Document Name	Comment
Certificate for Enterprise Registration of Company Limited	ສໍາເນົາໃບທະບຽນວິສາຫະກິດຂອງຜູ້ຖືຮຸ້ນທີ່ເປັນນິຕິບຸກຄົນ
Curriculum Vitae of Investor	
Curriculum vitae of Managing Director	
Agreement between the Securities Company and the Custodian Bank	ສໍາເນົາສັນຍາຂອງບໍລິສັດຫລັກຊັບ ແລະ ທະນາຄານຕົວແທນ (ກ່ອນການດໍາເນີນປະເພດທຸລະກິດຫລັກຊັບ)
Approval to Investment in Lao PDR issued by the authority in their origin country	
Power of Attorney (in case the applicant appoints the attorney to proceed with the application)	
Address Certification	ໃບຢັ້ງຢືນທີ່ຕັ້ງສໍານັກງານ ຫລື ສັນຍາເຊົ່າທີ່ຕັ້ງສໍານັກງານ
Organization Chart of the Enterprise	ໂຄງປະກອບການຈັດຕັ້ງ ແລະ ບັນຊີລາຍຊື່ຜະນິດການທັງໝົດຂອງບໍລິສັດຫລັກຊັບ
List of Shareholder	ບັນຊີລາຍຊື່ຜູ້ຖືຮຸ້ນແລະອັດຕາສ່ວນຜູ້ຖືຮຸ້ນ
Article of Association	ກົດລະບຽບພາຍໃນ ຕ້ອງມີເນື້ອໃນເພີ່ມເຕີມຕາມທີ່ລະບຸໄວ້ໃນແບບຟິມຂອງສໍານັກງານຄະນະກຳມະການຄຸ້ມຄອງຫລັກຊັບ ແລະ ຈະມີຜົນສັກສິດໄດ້ກໍ່ຕໍ່ເມື່ອໄດ້ຮັບການຮັບຮອງຢ່າງເປັນລາຍລັກອັກສອນ ຈາກສໍານັກງານຄະນະກຳມະການຄຸ້ມຄອງຫລັກຊັບ
Business Plan	ແຜນການດໍາເນີນທຸລະກິດຢ່າງໜ້ອຍ 3 ປີທໍາອິດພາຍຫຼັງການສ້າງຕັ້ງ
Certification of Financial and Asset / Financial Statements	ເອກະສານລາຍງານການເງິນຂອງຜູ້ຖືຮຸ້ນທີ່ເປັນນິຕິບຸກຄົນທີ່ໄດ້ຜ່ານການກວດສອບຈາກບໍລິສັດກວດສອບ
Education Qualification Evidence	ໃບຢັ້ງຢືນວຸດທິການສຶກສາຂອງສະມາຊິກສະພາບໍລິຫານ ແລະ ຄະນະອໍານວຍການ (ຖ້າມີ)
Joint Venture Agreement / Partnership Agreement / Incorporation Agreement	ສັນຍາຮ່ວມທຶນ

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

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STATISTICS (Issue or/and renewed number)		
2016	4	0

LIST OF ATTACHED DOCUMENTS		
Name of document	Type of document	File of document
Application Form	Application form	application-form-for-security-... 599a9896b5ddc.pdf