

(Unofficial translation)



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Bank of Lao PDR

Ref no.1083/BOL
Vientiane Capital, dated 9 December 2016

Decision

To: Commercial State-owned Banks, Joint Venture State-owned Banks, Private-owned Banks, Foreign Branch Banks, and Foreign Currency Exchange Shops.

Subject: Sale of Foreign Currency to an Individual and a Juridical Person for a Purpose of Foreign Payment.

- Pursuant to the Law on the Bank of Lao PDR No.5/NA, dated 14 October 1999;
- Pursuant to the Law on the Management of Foreign Currency No.55/NA, dated 22 December 2014.

The Governor of the Bank of the Lao PDR issues the Decision as follows:

Sale of foreign currency to individuals and juridical persons for a payment of foreign goods must follow the following mechanisms:

1. **Sale of currency to individuals:** is allowed for those who need foreign currency and open a bank account with any commercial bank. Such account is unable to withdraw or transfer cash in foreign currency to other people within the country, but it can only be used for a payment of goods and services overseas. The total balance in the account must not exceed an equivalent to 20 million kips, if it does exceed the sale is not permitted.

Selling foreign currency to customers who made payment in cash is allowed at the international borders, traditional borders, and local borders in order to pay for goods or services overseas. However, such foreign currency is not allowed for making payments domestically.

2. **Sale of currency to juridical persons:** commercial banks are allowed to sell foreign currency to juridical persons who need the currency for foreign payment and then transfer into a specific account for the purpose of foreign payment. It is not allowed to withdraw in cash or transfer to other persons within the country.

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3. The Sale of foreign currency to individuals and a juridical persons must strictly follow Article 10 on purpose of using the foreign currency in the law on management of foreign currency as followings:
 - 3.1.1. Payment for goods imported from overseas;
 - 3.1.2. Payment for services that are associated with the goods imported an exported directly from overseas such as: transit fee, insurance fee, warehouse fee, and other services;
 - 3.1.3. External loan and commercial credit payment;
 - 3.1.4. Grant assistance to foreign countries based on the government's agreement;
 - 3.1.5. Remittance of profit, dividend, capital, interest, other service fees of foreign investors and wage/salary of foreigner back home;
 - 3.1.6. Transfer for foreign investment;
 - 3.1.7. Education, travel, visit, and medical treatment overseas;
 - 3.1.8. Follow other purposes based on the regulation that the Bank of Lao PDR specifies.
4. This Decision is effective from the date of signing, and replaces the notification No.243/BOL, dated 5 August 2013 including any regulation contradicted to this decision shall be cancelled.

Governor of the Bank of the Lao PDR

(Signed and Sealed)

Dr. Somphao Phaysith