

(Unofficial translation)
LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Industry and Commerce
No. 1145/MOIC.DDT
Vientiane Capital, 01 December 2021

Decision
In the business of selling valuables

- Pursuant to the Law on Enterprises No. 46/NA, dated 26 December 2013;
- Pursuant to the Law on the Prevention of Money Laundering and Financing of Terrorism No.50/NA, dated 21 July 2014;
- Pursuant to the Law on Foreign Exchange Management No. 15/NA, dated 22 December 2014;
- Pursuant to the Decree on the Organization and Operation of the Ministry of Industry and Commerce No. 604/PM, dated 15 October 2001;
- Pursuant to the proposal of the Department of Domestic Trade, No.0711/DDT, dated 08 October 2021.

The Minister of Industry and Commerce issues a decision:

Part 1
General Provisions

Article 1 Purpose

This Decision will determine principles, regulations, and measures in managing, monitoring, and inspecting the distribution of valuables business to ensure that the business operates by Lao regulations and international laws. Along with regional and international principles aimed at combating and preventing money laundering and terrorist financing, protecting the rights and interests of business people, consumers, and the interests of the state contributing to the socio-economic development of the nation.

Article 2 The distribution of valuables business

The distribution of valuables business is the business of buying and selling and exchanging valuables by buying from importers or manufacturers in Lao PDR.

Article 3 Definition of terms

The terms used in this decision have the following meanings:

1. Precious items mean valuable items such as silver and gold, diamonds, pearls, precious stones, white gold, and other items made of precious metals according to HS Code

7102, 7103, 7104, 7110, 7111, 7113, 7114, 7115, and 7116, except gold bars, gold nuggets, silver bars and silver nuggets that are not items.

2. Business license refers to a document certifying the rights and obligations of the valuable business in Lao PDR that was issued by the industrial and commercial sectors.

3. Beneficiary refers to a person who ultimately benefits from any business activity or transaction related to the business of selling valuables, including those who have the power to control the business of selling valuables.

Article 4 Scope of work

This Decision applies to individuals and legal entities both domestic and foreign who have a business of distributing valuables in Lao PDR.

Part 2

business of distributing valuables

Article 5 Conditions of the valuable business distribution

The business of distributing valuables must have the following conditions:

1. Have an enterprise registration certificate;
2. Have a business license to operate the business of distributing valuables;
3. Open a deposit account at a commercial bank by relevant laws and regulations;
4. Have capital for business operations with a clear source and must have a deposit in a bank account of at least 30% of the registered capital;
5. Foreign investment must be registered capital by the conditions of the relevant laws and legislation on the business of distribution of goods in the Lao PDR;
6. Business operators, board of directors, members of the board of directors, and shareholders must have a clear history of never being convicted by a court of law for offenses as defined in Article 8 of the Law on Anti-Money Laundering and Financing of Terrorism.

For the valuables distribution business that has been established and active before this decision, the operators must be updated to comply with the conditions as mentioned in Article 5 of this decision within two years from the effective date of the decision.

Article 6 Application of documents for a business license of the valuable distribution

The application for a business license of the value distribution must be submitted to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce, which must follow the submission documents and details below:

1. Application form according to the printed form prescribed by the Department of Internal Trade;
2. A copy of the enterprise registration certificate and a copy of the application for enterprise registration;

3. A report on the activity of the financial account of the business operator or shareholder for thirty days due and a certificate of financial status from a commercial bank established in the Lao PDR;

4. Penalty notices for business operators, board of directors, members of the board of directors, and shareholders according to the conditions specified in Clause 6, Article 5 of this decision.

Article 7 Consideration of issuing a license of the valuable distributing business

After receiving complete and accurate documents as mentioned in Article 6 of this decision, the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce must consider issuing a business license within three business days from the date of receipt of the document.

In case the document is incomplete or incorrect, the applicant will be notified immediately so that it can be corrected.

In the case of not being able to issue such a license, the reason must be given in writing within two working days from the date of receipt of the document.

Article 8 Expiration, renewal, and modification of the content of the license of the valuable distributing business

The business license for the valuable distributing business is valid for five years and can be renewed by submitting a renewal application before the expiration date of thirty days.

Renewal and modification of the content of the business license that can be submitted to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce as follows:

1. Application according to the printed form prescribed by the Department of Internal Trade;
2. The original version of the license to the valuable distributing business;
3. Certificate of previous year's payment of the tax liability.

Article 9 Suspension and cancellation of the valuable distributing business

The license of the valuable distributing business will be suspended and canceled in the following cases:

1. Business operators do not fulfill their obligations as mentioned in Article 11 of this decision;
2. A voluntary stop doing the business;
3. The Court has announced the bankruptcy of that business according to the law and regulations.

Part 3

The rights and obligations of the valuable distributing business

Article 10 The rights of the valuable distributing business

The operators who are authorized for the valuable distributing business have the following rights:

1. Buy and sell valuables as authorized in the business license;
2. Establish branches or distributors as required by law and regulations;
3. Request fairness in unfair business competition;
4. Propose to renew, modify the content, or cancel the business license;
5. Request to establish an association related to the business of distributing valuables or to be a member of such an association, including joining an association or a commercial business group as defined in laws and regulations;
6. Receive other rights as stipulated in the laws and regulations of the Lao PDR.

Article 11 Obligations of valuable distributing business

Operators who are authorized to valuable distributing business have the following obligations:

1. Pay taxes and other obligations according to the laws and regulations of the Lao PDR;
2. Prepare an annual business plan within ninety days from issuing date of the license valuable distributing business according to the Department of Internal Trade's printed form;
3. Create internal regulations or rules on anti-money laundering and terrorist financing;
4. Summarize and report the actual sales statistics to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce. The six-monthly summary must be submitted before 30 May, and the annual summary must be submitted before 30 December of every year. The Department of Internal Trade creates a form for business units that distribute goods with a unified value and report throughout the country;
5. Keep a complete set of documents related to business license for the distribution of valuables, such as application fees, enterprise registration, financial account activity reports, contracts or sales documents between sellers and buyers, invitations to participate in exhibitions, and other related documents for five years;
6. Collect and provide detailed information on domestic and international customers, transactions as defined in the Law on Anti-Money Laundering and Financing of Terrorism to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce and related authorities as requested;
7. In case of change of business operators, board of directors, members of the board of directors and shareholders must submit to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce that issued the business license.
8. In cooperating to monitor and provide information to the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce and other relevant sectors as proposed without conditions;
9. Display the purchase and sale price and set the purchase price in LAK and specify the conditions in detail in the purchase and sale contract every time;

10. Perform obligations as defined in the Law on Anti-Money Laundering and Financing of Terrorism and other obligations according to laws and regulations.

Part 4

Managing the valuable distributing business

Article 12 Managing the valuable distributing business

Managing the valuable distributing business includes three steps as follows:

1. The central level is the Department of Internal Trade;
2. The provincial level is the Provincial/Capital Industry and Commerce Division;
3. The district level is District/State Industry and Commerce.

Article 13 Rights and duties of the Department of Internal Trade

The Department of Internal Trade has the following rights and duties:

1. Research, create, and improve legislation on valuable distributing business to present to the upper level for consideration by international conventions and agreements that Lao PDR is a party to or the economic and social development of Lao PDR;
2. Disseminate, recommend and inform this decision along with related laws and regulations, and information about the valuable distributing business for the general public across the country;
3. the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce in coordinating the relevant sectors to manage and monitor the activity of the valuable distributing business, including monitoring, educating, and inspecting the implementation of rights and obligations as stipulated in the Law on Combating Money Laundering and Financing Terrorism nationwide;
4. Warning and taking measures against violators;
5. Regular summarize and report on the implementation of activities management of the valuable distributing business to the upper level;
6. Use rights and perform other duties as required by law and regulations.

Article 14 The rights and duties of the Provincial, Vientiane Capital Division of Industry and Commerce

The Provincial, Vientiane Capital Division of Industry and Commerce has the following rights and duties:

1. Disseminate and recommend the implementation of this decision that is relevant to the valuable distributing business along with other related policies, laws, and regulations across the province and capital;
2. Manage and monitor the activity of the valuable distributing business in fulfilling its obligations and operation according to laws and regulations which was operated in a province or capital;

3. Research and consider issuing, modifying the content, renewing, suspending, revoking, erasing, and reissuing business licenses for the valuable distributing business that have been registered at the central, provincial, or capital level;
4. Warn, educate and take measures against violators;
5. Regular summarize and report the activities of the valuable distributing business, which is located in a province and capital, to the Department of Internal Trade;
6. Coordinating with the relevant sector in the case of finding a valuable distributing business that does not comply with the laws and regulations of the Lao PDR;
7. Use rights and perform other duties as assigned by a high-ranking.

Article 15 Rights and duties of the District and City of Industrial and Commercial

District and City of Industrial and Commercial have the following rights and duties:

1. Disseminate and recommend the implementation of this decision along with other related policies, laws, regulations, and information about the valuable distributing business where is under the District and City of Industrial and Commercial;
2. Manage and monitor the activity of the valuable distributing business to operate correctly according to the law and regulations where is under the District and City of Industrial and Commercial;
3. Research, consider issuing, modifying the content, renewing, suspending, revoking, erasing, and reissuing business licenses for the valuable distributing business that have been registered as enterprises at the District and City of Industrial and Commercial;
4. Warn, educate and take measures against violators;
5. Regular summarize and report the activities of the valuable distributing business, which is under the District and City of Industrial and Commercial;
6. Coordinating with the relevant sector in the case of finding a valuable distributing business that does not comply with the laws and regulations of the Lao PDR;
7. Use rights and perform other duties as assigned by a high-ranking.

Part 5

Benefits for good performance and measures for violators

Article 16. Benefits of good performance

Individuals, legal entities, and organizations that have performed well in the implementation of this decision will receive an award certificate or other benefits as required by law and regulations.

Article 17 Measures against violators

Individuals, legal entities, and organizations that violate this decision will be subject to warnings, education, fine, and civil damages or criminal penalties according to each case.

Part 6
Final provisions

Article 18 Implementation

The Department of Internal Trade to coordinate with the Provincial/Capital Industry and Commerce Division or the District Industry and Commerce/State and related sectors in implementing this decision is strictly and highly effective.

Article 19 The effectiveness

The decision is effective after signing and publishing in the Lao Officially Gazette in 15 days.

Minister
Ph.D. Khampheng Saysompheng