

(Unofficial Translation)

Although every effort has been made to convey the meaning and effect of each provision of the original Lao language version as accurately as possible, this English translation does not carry any legal authority. Only the original Lao text has legal force; this English translation is strictly for reference.



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

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Bank of the Lao PDR

Ref. No. 160/BOL

Vientiane capital, dated 21 February 2011

**Decision
on Securities Investment of Commercial Banks
and Financial Institutions**

- Pursuant to the Law on the Bank of the Lao PRD ref. no. 05/NA, dated 14/10/1999;
- Pursuant to the Law on Commercial Bank ref. no. 03/NA, dated 26/12/2006;
- Pursuant to the Study and Proposal set forth by Commercial Bank Supervision Department ref. no. 04/BSD, dated 10/01/2011.

The Governor of the Bank of the Lao PDR hereby issues the decision:

Article 1. Objectives

This decision establishes regulations governing credits and securities investment of commercial banks and financial institutions in order to limit the risk that may be incurred from this type of investment.

Article 2. Credits for securities investment

Commercial banks and financial institutions shall not provide credits directly or indirectly to individuals and legal entities to invest in securities.

Article 3. Securities investment

Commercial banks and finance institutions may invest securities in the Securities Exchange Market at a rate of no more than 15% of capital Level I.

Article 4. Liquidity maintaining related to securities transactions

Commercial banks which allow the opening of new bank accounts to settle securities transactions shall maintain the adequate level of liquidity to ensure the settlement of these transactions.

Article 5. Measures against violators

Commercial banks and financial institutions that violate this decision shall be subject to sanctions in accordance with the Bank of the Lao PDR's regulations in each period.

Article 6. Implementation

Commercial banks and financial institutions shall strictly implement this decision. The commercial bank supervision department is appointed to monitor and evaluate the implementation of this decision.

Article 7. Effectiveness

This decision shall be entered into force from the date of signing.

Governor of Bank of the Lao PRD

(Signed and sealed)

Phouphet Khamphouvong