



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

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Lao Securities Commission

No. 21/LSC

Vientiane Capital, dated 23 JUN 2021

**Decision  
on Securities Business Operation Authorization of Fund  
Management Companies (Amended)**

- Pursuant to the Law on Securities (Amended) No. 79/NA, dated 3 December 2019;
- Pursuant to the decree on Incorporation and Operation of Lao Securities Commission No. 291/PM, dated 5 May 2021;
- Pursuant to the letter of Lao Securities Commission Office No. 59/LSCO, dated 7 June 2021.

**The Chairman of Lao Securities Commission regulates that:**

**Chapter 1  
General Provisions**

**Article 1 Objectives**

This decision prescribes the principles, additional rules regarding the securities business operation authorization of fund management company in order to facilitate and govern on authorization of the securities business operations of fund management company in order to promote the securities business operation of fund management company to efficiency, stability, transparency, and fairness.

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<sup>1</sup> 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.

**Article 2      Securities Business Operation Authorization of Fund Management Companies**

Securities business operation authorization of fund management company is the application for securities business operation license by fund management company to fund establishment and management from the Lao Securities Commission.

**Article 3      Scope of Application**

This decision shall apply to fund management company and related parties to securities business operations of fund management company in the Lao PDR.

## **Chapter 2**

### **Securities Business Operation Authorization of Fund Management Company and Share Holding Ratio**

**Article 4      (Amended) Conditions for Securities Business Operation Authorization of Fund Management Companies**

Any person, juristic person wishing to apply for securities business operation authorization of fund management company shall be subject to Articles 72 of the Law on Securities (Amended). Any foreign fund management companies could establish and manage funds in Lao PDR.

Any foreign fund management companies which are not located in Lao PDR wishing to operate the fund management company in Lao PDR shall be subject to the following additional requirements:

1. To be incorporated and operate in accordance with foreign applicable laws and regulations;
2. To be a fund management company on the list of IOSCO member countries or the countries where its securities regulator signed MOU with the Lao Securities Commission Office;
3. To have a mutual contract on securities business operation with a fund management company in Lao PDR;
4. To be authorized by the Lao Securities Commission.

**Article 5      (Amended) Documents for Securities Business Operation Authorization of Fund Management Company**

Documents for securities business operation authorization of fund management company shall be subject to Articles 56 of the Law on Securities (Amended).

For fund management company in form of sole limited company, the documents related to Article of incorporation or joint venture agreement is exempted.

**Article 6 (Amended) Consideration of Securities Business Operation Authorization Documents of Fund Management Company**

Securities business operation authorization documents of fund management company shall be subject to Articles 57 of the Law on Securities (Amended).

**Article 7 (Amended) Payment and Utilization of Registered Capital of Fund Management Company**

Payment and utilization of registered capital of fund management company shall be subject to Articles 62 of the Law on Securities (Amended).

**Article 8 (Amended) Share Holding Ratio of a Fund Management Company**

Any persons and juristic persons could hold shares of a fund management company as following ratios:

1. A person could hold shares of a fund management company no more than 10% of total registered capital;
2. A domestic or foreign securities firm, commercial bank, and insurance company could hold shares of a fund management company 100% of total registered capital;
3. A foreign fund management company could hold shares of a fund management company 100% of total registered capital.

## **Chapter 3 Organizational Structure**

**Article 9 Organizational Structure of Fund Management Company**

The organizational structure of fund management company shall be subject to Articles 76 of the Law on Securities (Amended).

For fund management company in form of sole limited company, shareholders' meeting is exempted.

**Article 10 (Amended) Shareholders' Meeting**

A shareholders' meeting is the supreme body of fund management company. Shareholder's meetings consist of two types: ordinary meeting and extraordinary meeting.

Notification regarding the convening of a shareholders' meeting, quorum, agenda, method for voting, meeting resolutions, modifications and dismissal of meeting resolutions shall be in compliance with the Law on Enterprises.

The ordinary shareholders' meeting shall be held at least once a year after audited by external auditor, but not later than April of the next subsequent financial year. The extraordinary shareholders' meeting could be held at any time whenever necessary.

In case of necessity, shareholders' meeting could be held by online or by circulation.

#### **Article 11 Rights and Duties of Shareholders' Meeting**

A shareholders' meeting shall have rights and duties as follows:

1. To approve by-laws, the article of incorporation, and essential policies of fund management company as proposed by board of directors prior to proposing to the Lao Securities Commission Office for approval;
2. To elect or dismiss chairperson, vice chairperson and other members of the board of directors and notify to the Lao Securities Commission Office;
3. To approve an audit firm for audit own fund management company as proposed by board of directors;
4. To approve members of the executive committee as proposed by the board of directors;
5. To approve for meeting allowance, salary or other remunerations for the members of the board of directors, members of executive committee, securities professionals and staffs of fund management company as proposed by board of directors;
6. To approve for the reports, business plans and annual audit report as proposed by the board of directors;
7. To approve the increase or decrease of registered capital as proposed by the board of directors;
8. To approve the mergers, incorporation of subsidiaries, investments, sale of assets or dissolution of fund management company as proposed by the board of directors;
9. To approve the allocation of revenues, dividend and establishment of reserve funds as proposed by the board of directors;
10. To exercise other rights and duties as stipulated in the applicable laws and regulations.

#### **Article 12 Board of Directors**

Board of directors of fund management company shall comprise at least three (3) directors and shall include at least one (1) independent director who is not related to, not influenced or not engaged in company's interests, not a staff or not

to hold any positions in fund management company that be able to make independent comments.

The board of directors shall comprise of a chairperson, vice chairperson and other members elected and dismissed by the shareholders' meeting or by shareholder in case of sole limited fund management company. The term of board of directors shall be two (2) years and may be re-elected.

The board of directors shall convene at least two (2) meetings per year.

### **Article 13 Conditions for Members of Board of Directors**

Members of the board of directors of fund management company shall meet the following conditions:

1. To have educational qualification at least bachelor degree and three years of experience in finance, banking, securities-related business or business administration;
2. To be never dismissed from any executive positions of other juristic persons or bankrupted as sentenced by the court or any executive positions in a bankrupted juristic person as sentenced by the court;
3. To be never sentenced by the court for criminal offences relating to fraud, deception, falsification of document, bribery, corruption or money laundering and never misconducted laws and regulations related to securities businesses or financial violation;
4. Other conditions stipulated by the Lao Securities Commission.

### **Article 14 Rights and Duties of the Board of Directors**

The board of directors shall have rights and duties as follows:

1. To act as central role in coordination and correction of executive committee' work;
2. To approve internal regulations of fund management company as proposed by executive committee prior to proposing to the Lao Securities Commission Office for approval;
3. To appoint, relocate or dismiss members of the executive committee as approved by shareholders' meeting and notify to the Lao Securities Commission Office;
4. To appoint, relocate or dismiss members of internal audit committee, and other committees of the board of directors and notify to the Lao Securities Commission Office;
5. To formulate policies, directions, plans, mechanism and regulations of fund management company in order to direct the executive committee for implementation;

6. To monitor the executive committee in the implementation of resolutions of the shareholders' meeting and resolutions meeting of board of directors;
7. To cooperate, provide related data and documents including to clarify any issues, respond questions, and to give details for related issues to shareholders' meeting, external audit firm, securities business inspection team, investigation officials, related person and juristic persons;
8. To report annual business plan of fund management company to the shareholders' meeting for approval;
9. To propose mergers, incorporation of subsidiaries, investment, sale of assets or dissolution of fund management company to the shareholders' meeting for approval;
10. To assign the work of the internal audit committee and other committees of the board of directors;
11. To propose the creation and amendment of by-laws and the article of incorporation of fund management company to the shareholders' meeting for approval;
12. To design the annual budgets, meeting allowance, salary, bonus or other compensations for the members of the board of directors, executive committee, securities professionals and staff of fund management company to propose to the shareholders' meeting for approval;
13. To review allocation of revenues, dividend and establishment of reserve funds to propose to the shareholders' meeting for approval;
14. To be accountable for all damages done by own wrong doing;
15. To exercise other rights and duties as stipulated in the applicable laws and regulations.

#### **Article 15 Committees of Board of Directors**

Committees of the board of directors of fund management company shall comprise of internal audit committee and other committees as deemed necessary. Each committee shall have at least two members, one of which shall be a member of the board of directors but not a member of executive committee.

#### **Article 16 Conditions of Internal Audit Committee**

Internal audit committee of fund management company shall meet the following conditions:

1. To have educational qualification for at least a bachelor degree in accounting, auditing, law, finance, banking or business administration;
2. To have at least three years of experience in accounting, auditing, finance, banking or securities businesses;
3. To be never sentenced by the court as a bankrupted person, or an executive of a juristic person sentenced by the court as bankruptcy;

4. To be never sentenced by the court for criminal offences relating to fraud, deception, falsification of document, bribery, corruption or money laundering and never miscondacted laws and regulations related to securities businesses or financial violation;
5. To have recognition and understanding of business plans including weekly plan, monthly plan, annual plan and strategic plan of fund management company;
6. To have recognition and understanding of the relevant laws and regulations related to securities activities, law on anti-money laundering and capital supply for terrorism including by-laws of company, article of incorporation or joint venture agreement (in case of joint venture company), and all regulations of its company;
7. Other conditions as stipulated by the Lao Securities Commission.

#### **Article 17 Rights and Duties of Internal Audit Committee**

The internal audit committee of fund management company shall have the rights and duties as follows:

1. To develop internal audit plan and compliance inspection plan which cover all important transactions of fund management company and such plans shall be approved by the board of directors;
2. To involve in the development of fund management company's business plan for monitoring facilitation;
3. To monitor and audit the work of executive committee, securities professionals and staff based on business plan approved by the shareholders' meeting or board of directors including to propose solutions in case of finding the wrong doing or not compliance with the laws and regulations in securities activities, by-laws of company, article of incorporation or joint venture agreement (in case of joint venture company), all regulations of own company, related laws and regulations and report to board of directors on regular basis;
4. To monitor and inspect the implementation of securities activities-related laws and regulations, law on anti-money laundering and capital supply for terrorism including by-laws of company, article of incorporation or joint venture agreement (in case of joint venture company), and all regulations of own company;
5. To make annual internal audit and compliance inspection reports to propose to the board of directors for approval;
6. To coordinate with external audit committee in performing audit duties;
7. To assess the quality of audit company, the auditors' independence and relation between auditors and fund management company;

8. To contact or coordinate with the Lao Securities Commission Office on a regular basis;
9. To report to the board of directors and the Lao Securities Commission Office on immediate basis in case of finding the events which effect fund management company and capital market as a whole;
10. To inform and advise to the relevant parties in fund management company regarding implementation of their works in compliance with securities activities-related laws and regulations, by-laws of company, article of incorporation or joint venture agreement (in case of joint venture company), all regulations of own company, related applicable laws and regulations;
11. To collect fund management company clients' complaints and requests to propose to the board of directors for solution making;
12. To monitor and audit the board of directors in solving the unsolved points stipulated in audit report and the notification of the Lao Securities Commission Office;
13. To participate in reviewing the legal and regulatory organized periodically by the Lao Securities Commission Office;
14. To exercise other rights and perform other duties as assigned by the board of directors.

#### **Article 18 Executive Committee**

Executive committee is responsible for the day-to-day business operation of fund management company in accordance with the rights and duties prescribed in Article 21 of this Decision and other relevant laws and regulations.

The executive committee consists of chief executive officer and deputy chief executive officer appointed and dismissed by the board of directors and shall have terms for the period of two years and be able to be re-appointed.

Chief executive officer shall be a member of the board of directors, but shall not be the chairperson or vice chairperson of the board of directors.

Deputy chief executive officer is assisting of the chief executive officer in responsibility for managing the day-to-day work of fund management company including acting as chief executive officer in case of chief executive officer absent. The deputy chief executive officer shall not be a member of the board of directors, but could participate and give opinions in the meetings of the board of directors.

#### **Article 19 Requirements for Executive Committee**

Executive committee of fund management company shall be subject to the requirements as prescribed in Article 13 of this Decision and shall be subject to additional requirements as follows:

1. To hold a securities business professionals license of fund manager granted by the Lao Securities Commission Office;
2. Other requirements stipulated by the Lao Securities Commission Office.

**Article 20 Rights and Duties of Chief Executive Officer and Deputy Chief Executive Officer**

Chief executive officer of fund management company shall have rights and duties as follows:

1. To review, develop, and amend internal regulations and day to day business operation plan of fund management company to propose to the board of directors' meeting for approval;
2. To formulate the business plan of fund management company to propose to the board of directors' meeting for consideration prior to proposing to shareholders' meeting for approval;
3. To implement the prudential regulations of fund management company and other relevant laws and regulations;
4. To summarize and report business operation performance and formulate annual business plan of fund management company to propose to the board of directors' meeting for consideration prior to proposing to shareholders' meeting for approval;
5. To implement the resolutions of the shareholders' meeting and the resolutions of the board of directors' meeting;
6. To review, develop and amend by-laws of fund management company, article of incorporation or joint venture agreement of fund management company (in case of joint venture company) to propose to the board of directors' meeting for consideration prior to proposing to shareholders' meeting for approval;
7. To immediately report business operations of fund management company which are misconducted with laws and regulations in securities activities to the board of directors and the Lao Securities Commission Office;
8. To review the meeting allowance, salary, bonus or other compensations for the members of board of directors, executive committee, securities professionals and staff of fund management company to propose to the board of directors' meeting for consideration prior to proposing to shareholders' meeting for approval;
9. To review allocation of revenues, dividend and establishment of funds to propose to the board of directors' meeting for consideration prior to proposing to shareholders' meeting for approval;
10. To clarify issues, response to the questions, and provide the detailed information regarding operations of fund management company to the board of directors' meeting, persons, juristic persons, and related parties;
11. To be accountable for all damages caused by own mistakes;

12. To act as the representative of fund management company in signing contracts and other official documents;
13. To manage day-to-day business operations of fund management company according to scope of rights and duties as defined in this Decision, by-laws of fund management company or as assigned by the board of directors;
14. To propose to the board of directors for consideration on appointment or displacement of deputy executive officers;
15. To appoint or dismiss a head and deputy head of divisions, securities professionals or to recruit and allocate staff of fund management company;
16. To review a merger, establishment of subsidiary, investment, sale of assets or dissolution of own fund management company to propose to the board of director's meeting for consideration;
17. To approve for award policies or disciplinary sanctions for staff of fund management company in accordance with applicable laws and regulations;
18. To cooperate, provide data and documents including to clarify particular issues to internal audit committee, principle implementation committee, audit company, securities business inspection team, securities investigator team, persons, juristic entities and other relevant parties;
19. To report to the board of directors and internal audit committee on the business operations of fund management company;
20. To exercise other rights and duties as pursuant to charter of fund management company and related applicable laws and regulations.

The rights and duties of deputy chief executive officer is assigned by chief executive officer of fund management company.

## **Chapter 4**

### **Securities Business Operations of Fund Management Company**

#### **Article 21 (Amended) Rights and Duties of Fund Management Company**

The rights and duties of fund management company shall be subject to Article 74 of the Law on Securities (Amended) and shall have additional rights and duties as follows:

1. To study, develop, and amend by-law and internal regulations of fund management company in compliance with related applicable laws and regulations in order to govern on operations of fund management company and securities professionals;

2. To have a responsible duty for reporting and information disclosure in accordance with this Decision including responsible for such contents of information;
3. To report on the stock holding and trading transactions of the board of directors, executive committee, and staff of fund management company to the Lao Securities Commission Office;
4. To suitably allocate the right numbers to the right jobs of domestic and foreign employees in case of joint venture company;
5. To issue ID cards for securities professionals who are granted by the Lao Securities Commission Office which include name, surname, position, and securities professional type;
6. To report the result of fund unit sale of investment fund and propose the capital registration of the fund from the fund unit sale to the Lao Securities Commission Office;
7. To register and deposit the fund units which is unlisted on the Lao Securities Exchange;
8. To calculate the Net Asset Value of each investment fund;
9. To periodically monitor and examine fund management of fund manager;
10. To recognize, understand, and implement the securities activities-related laws and regulations, by-laws of company, article of incorporation or joint venture agreement (in case of joint venture company), all regulations of own company, related applicable laws and regulations;
11. To be responsible by laws for all operations of a foreign fund management company which is a joint venture contract of its company;
12. To pay for service fees to the Lao Securities Commission Office as stipulated in article 42 of this Decision;
13. To exercise other rights and duties as stipulated in related applicable laws and regulations.

**Article 22 (Amended) Scope of Securities Business Operations of Fund Management Company**

Scope of securities business operations of fund management company as prescribed in Articles 73 of the Law on Securities (Amended).

**Article 23 (New) Increase and Decrease of Registered Capital**

Increase and decrease in registered capital of fund management company shall be authorized by the Lao Securities Commission Office and shall be implemented as prescribed in the Law on Enterprises.

**Article 24 (New) By-Laws and Internal Regulations of Fund Management Company**

By-laws of fund management company shall be subject to Article 64 of the Law on Securities (Amended) in case of the sole limited fund management company excepted for point 2 and shall have additional contents as prescribed by the Lao Securities Commission Office in by-laws format.

Internal regulations of fund management company shall have contents in compliance with related applicable laws and regulations and could utilize for governing the securities business operations of fund management company.

In case of making new or amendment of by-laws and internal regulations of fund management company, both complete structure and its contents of such first drafts shall be consulted between related staff of the Lao Securities Commission Office and fund management company prior to proposing the drafts to the board of directors and shareholders' meeting for consideration and the Lao Securities Commission Office for approval.

By-laws and internal regulations of fund management company shall be effective after approved by the Lao Securities Commission Office.

**Article 25 (New) Changes which Require Authorization**

Changes which require authorization from the Lao Securities Commission Office shall be subject to Article 76 of the Law on Securities (Amended) and the additional changes as follows:

1. Suspension of business operations partially or entirely;
2. Changes of by-laws and internal regulations of fund management company including prospectus of investment funds;
3. Other changes as stipulated by the Lao Securities Commission Office.

Fund management company shall disclose immediately the above changes to the public after authorized by the Lao Securities Commission Office.

**Article 26 (New) Suspension of Business Operations of Fund Management Company**

Suspension of business operations of fund management company shall be subject to Article 68 of the Law on Securities (Amended).

**Article 27 (New) Revocation of Business Operation License of Fund Management Company**

Revocation of business operations of fund management company shall be subject to Article 69 of the Law on Securities (Amended).

**Article 28 (New) Settlement Committee**

Settlement committee are appointed by the Lao Securities Commission Office, which consist of representatives from the Lao Securities Commission Office and both relevant public and private parties, have qualifications and conditions as prescribed in the regulation of the Lao Securities Commission Office.

Rights and duties of the settlement committee are stipulated in specified regulation.

## **Chapter 5**

### **Accounting, Reporting, Disclosure, Service Fees, and Prohibition of Fund Management Company**

**Article 29 (New) Accounting**

Accounting of fund management company shall be subject to Article 67 of the Law on Securities (Amended).

**Article 30 (Amended) Reporting and Information Disclosure**

Fund management company shall implement reporting regime to the Lao Securities Commission Office and information disclosure regime to the public in correct, complete, and timely manner.

Fund management company shall report operations of foreign fund management company under its securities business operation co-contract to the Lao Securities Commission Office as the reporting modules prescribed in Article 32 of this Decision.

**Article 31 (New) Appointment of Responsible Persons for Reporting and Information Disclosure**

Fund management company shall appoint at least two persons responsible for reporting and information disclosure and one of which shall be the deputy executive committee who is in charge of directing in finance of fund management company.

After such appointment, fund management company shall officially inform the names of appointed persons to the Lao Securities Commission Office within 5 business days from the appointed date. In case, the appointed persons could not perform their functions in whatever reasons, fund management company shall appoint new persons to perform instead and officially re-inform the names of the new appointed persons within 5 business days from the appointed date to the Lao Securities Commission Office.

### **Article 32 (New) Modes of Reporting**

Reporting of fund management company consists of 4 modes as follows: periodic, immediate, requesting, and voluntary.

### **Article 33 (New) Periodic Reporting**

Periodic reporting of fund management company consists of daily, monthly, quarterly, semi-annually, and annually.

#### **1. Daily Report.**

Fund management company shall report its daily information to the Lao Securities Commission Office before 16:00 PM of such date. The daily data to be reported is the calculation result of Net Asset Value of each investment fund.

#### **2. Monthly Report.**

Fund management company shall report its monthly data to the Lao Securities Commission Office within 10 days from the end of such month. The monthly data to be reported as follows:

- 2.1. Monthly business operations report of fund management company;
- 2.2. Monthly financial reporting documents of fund management company including monthly balance sheet, income statement, and statement of cash flows approved by internal auditor and certified by chief executive committee of fund management company.
- 2.3. Monthly fund management reports by separation of each investment fund under its management.
- 2.4. Monthly financial reporting documents of each investment fund under its management including monthly balance sheet, income statement, and statement of cash flows approved by internal auditor and certified by chief executive committee of fund management company.
- 2.5. Other data required by the Lao Securities Commission Office.

#### **3. Quarterly Report.**

Fund management company shall report its quarterly data of the quarter 1 and quarter 3 to the Lao Securities Commission Office within 15 days from the end of such quarter. The quarterly data to be reported as follows:

- 3.1. Quarterly business operations report of fund management company;
- 3.2. Quarterly financial reporting documents of fund management company including quarterly balance sheet, income statement, statement of cash flows, statement of changing in equity, and notes to financial reporting documents approved by internal auditor and certified by chief executive committee of fund management company.
- 3.3. Quarterly fund management reports by separation of each investment fund under its management.
- 3.4. Quarterly financial reporting documents of each investment fund under its management including quarterly balance sheet, income statement,

statement of cash flows, statement of changing in equity, and notes to financial reporting documents approved by internal auditor and certified by chief executive committee of fund management company.

3.5. Other data required by the Lao Securities Commission Office.

**4. Semi-annual Report.**

Fund management company shall report its semi-annual data to the Lao Securities Commission Office within 45 days from the end of quarter 2. The semi-annual data to be reported as follows:

4.1. Semi-annual business operations report of fund management company;

4.2. Semi-annual financial reporting documents of fund management company including semi-annual balance sheet, income statement, statement of cash flows, statement of changing in equity, and notes to financial reporting documents reviewed by an audit company on the approval list from the Lao Securities Commission Office.

4.3. Semi-annual fund management reports by separation of each investment fund under its management.

4.4. Semi-annual financial reporting documents of each investment fund under its management including semi-annual balance sheet, income statement, statement of cash flows, statement of changing in equity, and notes to financial reporting documents audited by an audit company on the approval list from the Lao Securities Commission Office.

4.5. Other data required by the Lao Securities Commission Office.

**5. Annual Report.**

Fund management company shall report its annual data to the Lao Securities Commission Office within 120 days from the end of year. The annual data to be reported as follows:

5.1. Annual business operations report of fund management company;

5.2. Annual financial reporting documents of fund management company including annual balance sheet, income statement, statement of cash flows, statement of changing in equity, and notes to financial reporting documents reviewed by an audit company on the approval list from the Lao Securities Commission Office.

5.3. Annual fund management reports by separation of each investment fund under its management.

5.4. Annual financial reporting documents of each investment fund under its management including annual balance sheet, income statement, statement of cash flows, statement of changing in equity, and notes to financial reporting documents audited by an audit company on the approval list from the Lao Securities Commission Office.

5.5. Other data required by the Lao Securities Commission Office.

**Article 34 (New) Immediate Report.**

Fund management company shall report immediately to the Lao Securities Commission Office in case of one or whole following data happening:

1. Members of board of directors, executive committee, general managers, audit committee, head of accounting, head of finance, and fund managers are disciplined sanction and are prosecuted.
2. Bank account of fund management company is suspended or after the suspension of bank account of fund management company is cancelled.
3. Fund management company is under bankruptcy condition or ordered by court to be a bankrupted enterprise.
4. Business certificate is revoked.
5. Fund management company merged with other companies pursuant to resolution of its shareholders' meeting.
6. Members of board of directors, executive committee, internal auditor, head of accounting, head of finance, and fund managers are changed.
7. Fund managers are found to violate the relevant laws and regulations.
8. Fund managers are moved to unrelated new job or resigned and other change cases.
9. Staff and fund managers' labor contract are cancelled.
10. Service fees are changed.
11. Fund management company is ordinary inspection and extraordinarily inspection by an organization.
12. Shareholding ratio of any shareholders is changed.
13. Any investment funds are suspended and cancelled or fund units of a close-ended fund are unlisted from Securities Exchange.
14. Fund units of an open-ended fund are suspended, cancelled, and unlisted from fund management company.
15. Other data required by the Lao Securities Commission Office.

**Article 35 (New) Requesting Report.**

Fund management company shall report data requested by the Lao Securities Commission Office in case the Lao Securities Commission Office finds that such event results or may result in rights and benefits of investors, fund unit price, and stability of capital market.

**Article 36 (New) Voluntary Report.**

Voluntary report is reported by fund management company in order to notify the Lao Securities Commission Office for additional data.

**Article 37 (Amended) Information Disclosure**

Information disclosure of fund management company consists of 4 modes as follows: periodic, immediate, requesting, and voluntary.

**Article 38 (New) Periodic Information Disclosure**

Fund management company shall disclose information to the public. The periodic information disclosure consists of daily, monthly, quarterly, semi-annually, and annually as follows:

1. Daily information disclosure shall be subject to point 1, Article 33 of this Decision.
2. Monthly information disclosure shall be subject to point 2, Article 33 of this Decision.
3. Quarterly information disclosure shall be subject to point 3, Article 33 of this Decision.
4. Semi-annual information disclosure shall be subject to point 4, Article 33 of this Decision.
5. Annual information disclosure shall be subject to point 5, Article 33 of this Decision.
6. Other information required by the Lao Securities Commission Office.

**Article 39 (New) Immediate Information Disclosure**

Fund management company shall disclose immediate information to the public in case of one or whole following data happening:

1. Members of board of directors, executive committee, general managers, audit committee, head of accounting, head of finance, and fund managers are disciplined sanction and are prosecuted.
2. Bank account of fund management company is suspended or after the suspension of bank account of fund management company is cancelled.
3. Fund management company is under bankruptcy condition or ordered by court to be a bankrupted enterprise.
4. Business certificate is revoked.
5. Fund management company merged with other companies pursuant to resolution of its shareholders' meeting.
6. Members of board of directors, executive committee, internal auditor, head of accounting, head of finance, and fund managers are changed.
7. Fund managers' fund management license are revoked.
8. Fund managers are found to violate the relevant laws and regulations.
9. Fund managers' license is changed to a new license type or fund managers are moved to unrelated new job or fund managers resign and other change cases.

10. Assets under management of fund management company decrease up to 10%.
11. Any investment funds are suspended and cancelled or fund units of a close-ended fund are unlisted from Securities Exchange.
12. Other data required by the Lao Securities Commission Office.

**Article 40 (New) Requesting Information Disclosure**

Fund management company shall disclose information requested by the Lao Securities Commission Office in case the Lao Securities Commission Office finds that such event results or may result in rights and benefits of investors, fund unit price, and stability of capital market.

**Article 41 (New) Channel of Reporting and Information Disclosure**

Fund management company shall report information to the Lao Securities Commission Office in written and through electronic channel in complete, correct, and timely manner.

Fund management company shall disclose information to the public via its website or other appropriate mass media in complete, correct, and timely manner.

**Article 42 Service Fees**

Fund management company shall pay service fees to the Lao Securities Commission Office as follows:

1. Fee for application submission with the amount of 5.000.000 Kip and shall pay on the submission date of the documents to the Lao Securities Commission Office.
2. Fee for securities business operation license of fund management company with the amount of 15.000.000 Kip and shall pay on the receiving date of the license.
3. Annual supervisory fee with the amount of 5.000.000 Kip and shall pay within quarter 1 of next year, counted from the authorizing year.

In case of fund management company which is authorized after semi-annual; the annual supervisory fee will be exempted within that year.

**Article 43 Prohibitions**

Fund management company and other relevant parties are prohibited to act either directly or indirectly as prescribed in Article 174 of the Law on Securities (Amended) and additional prohibitions as follows:

1. Fund management company which is established and authorized in Lao PDR, joins with other companies which are established in Lao PDR to operate the same or similar businesses;
2. Members of audit committee of fund management company move to be members of other committees of board of directors;
3. To violate related laws and regulations;
4. Other prohibited acts as stipulated by the Lao Securities Commission Office.

## **Chapter 6**

### **Policies for Achievement and Sanction against Violators**

#### **Article 44 (Amended) Policy on Persons with Achievement**

Fund management company and other parties related to fund management business operation in Lao PDR who perform outstanding achievement in implementation of this Decision shall receive appropriated awards or other policies as stipulated in the specialized regulation.

#### **Article 45 (Amended) Sanctions against Violators**

Fund management company and other parties related to fund management business operation in Lao PDR who violate this Decision shall be principally educated or warned, fined, and other additional sanctions as follows:

Educated or warned sanction is in case of behaviors or violations as follows:

1. First and light violation for instance late reporting less than 5 days, refuse to cooperate with the Lao Securities Commission Office and relevant organizations, refuse to supply information and documents to the Lao Securities Commission Office and other parties, and other violations which value less than 1.000.000 Kip.
2. The violation without sues or notification of the loser and parties could compromise.
3. To violate this Decision but not to violate on prohibitions as stipulated in Article 43 of this Decision.
4. Other behaviors as prescribed by the Lao Securities Commission Office.

Fined sanction is in case of behavior or violation as follows:

1. First but serious violation which has damage values more than 1.000.000 Kip or used to be educated or warned sanction but to continue to the second violation shall be fined from 5.000.000 Kip to 10.000.000 Kip.
2. Fund management company which is established and authorized in Lao PDR, joins with other companies which are established in Lao PDR to

operate the same or similar businesses shall be fined 30.000.000 Kip to 50.000.000 Kip.

3. Members of audit committee of fund management company move to be members of other committees of board of directors shall be revoked from members of other committees. In case, keeping on violation shall be fined from 50.000.000 Kip to 100.000.000 Kip. After fined, fund management company still keeps on to violation, the securities business operation license shall be revoked.

Additional sanctions on fund management company as follows:

1. To correct violations in accordance with relevant laws and regulations;
2. To suspend the securities business operations of fund management company;
3. To revoke the securities business operation license of fund management company;
4. To disclose the prohibitions of fund management company as prescribed in this Decision on website of the Lao Securities Commission Office and Securities Exchange after the fined sanction has been done by the Lao Securities Commission Office.

## **Chapter 7**

### **Final Provisions**

#### **Article 46 Implementation**

The Lao Securities Commission Office, fund management company and other relevant parties to fund management business operation in Lao PDR shall recognize and strictly implement this Decision based on scope of own rights and duties.

#### **Article 47 Effectiveness**

This Decision shall be effective as of the date of signing by the Chairman of the Lao Securities Commission.

This Decision replaces the Decision on Operation Supervision of Fund Management Company no 0053/LSC dated 17 October 2019.

**Vice Chairman of the Lao Securities Commission**  
**(Seal and Signature)**

**Sonexay SITHPHAXAY**