



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

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Prime Minister

No. 188/PM
Vientiane Capital, dated 24 July 2013

**Decree
on Organization and Operation of Lao Securities Commission**

- Pursuant to the Law on the Government of the Lao PDR, No.02/NA, dated 06 May 2003;
- Pursuant to the Law on Securities, No. 21/NA, dated 10 December 2012;
- Pursuant to the Proposal of Bank of the Lao PDR, No.208/BOL, dated 09 July 2013;
- Pursuant to the Proposal of Ministry of Home Affairs, No. 271/HA, dated 17 July 2013.

The Prime Minister hereby issues the following Decree:

**Chapter I
General Provisions**

Article 1. Objectives

This Decree prescribes the position, roles, organizational structure, duties, scope of rights and working method of the Lao Securities Commission, which having direct responsibility to supervise, monitor and inspect securities activities to ensure the continuation of fund raising and securities exchange development, and to contribute to the socio-economic development of the nation.

¹ 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. Position and Roles

“Lao Securities Commission” is abbreviated as “LSC” which is a governmental body.

The Lao Securities Commission shall function as a secretariat for the Government for the centralized macro-management of the securities activities throughout the country.

Chapter II Duties and Scope of Rights

Article 3. Duties

The Lao Securities Commission shall have duties as follows:

1. to consider the formulation and amendment of strategic plans, policies, and laws related to securities activities upon the proposal by the Lao Securities Commission Office, in order to propose to the Government for consideration;
2. to approve projects-work plans, operation plans, human resource development and recruitment plans, and budget plans as well as infrastructure development and technical equipment supply plans of the Lao Securities Commission Office;
3. to endorse the proposal of the Secretary-General of the Lao Securities Commission Office to appoint a Deputy Secretary-General;
4. to adopt regulations governing securities activities upon the proposal by the Lao Securities Commission Office;
5. to grant an approval for establishment or dissolution of securities intermediaries as being proposed by the Lao Securities Commission Office;
6. to approve the issuance of securities upon the proposal by the Lao Securities Commission Office;
7. to study the establishment and dissolution of the securities exchange in accordance with the proposal of the Lao Securities Commission Office in order to propose to the Government for consideration;
8. to guide and lead the Lao Securities Commission Office in executing securities supervision and assist related parties in publicizing, disseminating and educating stakeholders on securities activities; in cooperating with foreign countries and international organizations by exchanging information regarding securities activities and attracting technical assistance;
9. to encourage and persuade individuals, juristic persons and organizations to take part in securities development in particular to encourage companies from all business sectors to be listed on the securities exchange;
10. to summarize and report its own operation to the Government regularly;
11. to perform other duties as being assigned by the Government.

Article 4. Scope of Rights

The Lao Securities Commission shall have scope of rights as follows:

1. to issue a decision on the organization and operation of the Lao Securities Commission Office;
2. to issue a license for the establishment and the dissolution of the securities exchange based on the Government's agreement;
3. to issue an instruction to initiate an investigation as being proposed by the Lao Securities Commission Office;
4. to issue decisions on awarding of outstanding officers of the Lao Securities Commission Office and on the implementation of sanctions for those who violate laws and regulations;
5. to perform other rights as being assigned by the Government.

Article 5. Duties and Scope of Rights of the Chairman

The Chairman of the Lao Securities Commission shall have duties and scope of rights as follows:

1. to take responsibility in guiding and leading the operation of the Lao Securities Commission by setting the strategic direction, coordinating with other relevant sectors and local authorities in the country, cooperating with foreign countries and international organizations.
2. to serve as a chairman for ordinary and extraordinary meetings of the Lao Securities Commission;
3. to sign off on all significant documents of the Lao Securities Commission;
4. to call an ordinary and extraordinary meeting of the Lao Securities Commission;
5. to report on the performance of the Lao Securities Commission to the Government periodically;
6. to delegate responsibilities to each member of the Lao Securities Commission.

Article 6. Duties and Scope of Rights of the 1st Vice Chairman, Standing Commissioner

The 1st Vice Chairman, Standing Commissioner, of the Lao Securities Commission shall have duties and scope of rights as follows:

1. to be responsible for guiding and leading daily routine work of the Lao Securities Commission Office;
2. to assume the role of Chairman and exercise duties assigned to the Chairman of the Lao Securities Commission, as required;
3. to sign important documents as assigned by the Chairman of the Lao Securities Commission;
4. to propose to the Lao Securities Commission to consider a candidate for the Secretary General of Lao Securities Commission Office;
5. to issue a decision to appoint personnel of the Lao Securities Commission Office as prescribed in specific regulations;

6. to propose to the Chairman to call extraordinary meetings, as required;
7. to perform other duties and exercise rights as assigned.

Chapter III

Organizational Structure

Article 7. Organizational Structure

The Lao Securities Commission is a governmental organization which has a Lao Securities Commission Office or “LSCO” that serves as its secretariat. The Chairman of the Lao Securities Commission is responsible for developing the Decision on Organization and Operation of the Lao Securities Commission Office.

Article 8. Personnel Composition Structure

The Lao Securities Commission shall comprise:

1. the Deputy Prime Minister as Chairman;
2. the Governor of the Bank of the Lao PDR as the 1st Vice Chairman, Standing Commissioner;
3. the Minister of Ministry of Finance as the 2nd Vice Chairman;
4. the Chairman of the National Committee for Business Development as a Commissioner;
5. the Deputy Minister of Ministry of Industry and Commerce as a Commissioner;
6. the Deputy Minister of Ministry of Planning and Investment as a Commissioner;
7. the Deputy Minister of Ministry of Justice as a Commissioner;
8. the Deputy Minister of Ministry of Home Affairs as a Commissioner;
9. the Vice Chairman of Economic, Planning, and Finance Committee, National Assembly as a Commissioner;
10. the Deputy Governor of the Bank of the Lao PDR as a Commissioner;
11. the Deputy Head of Supreme People’s Prosecutor as a Commissioner;
12. the Deputy Minister of Government Office as a Commissioner;
13. the Secretary General of the Lao Securities Commission Office as the Secretary.

Chapter IV

Principles and Working method

Article 9. Principles

The Lao Securities Commission operates under the democratic centralism principle. It consults and makes decisions collectively. It executes single head regime on the basis of precise delegation of duty and regards meetings as key form of operations.

Every activity of the Lao Securities Commission shall be based on laws, regulations and the principles of the Government and shall contribute to the implementation of the Government's policies.

Article 10. Working Method

The Lao Securities Commission operates its activities based on meeting mechanism. Meetings of the Lao Securities Commission consist of ordinary and extraordinary meetings. The ordinary meeting shall be convened once every three months whereas the extraordinary meeting may be held at any time, if necessary, as per summons of the Chairman of the Lao Securities Commission or requests from more than half of the Commissioners.

Meeting of the Lao Securities Commission can be held when there are more than half of the Commissioners participating in the meeting.

Resolutions of the meeting of the Lao Securities Commission are passed by majority votes of the members attending the meeting. In case where the votes are tie, the Chairman of the Lao Securities Commission shall have a casting vote.

Chapter V

Budget, Logo and Seal

Article 11. Budget

The budget for operation, supplying of technical equipment, building infrastructure and developing human resource of the Lao Securities Commission and Lao Securities Commission Office, shall be responsible by the Bank of the Lao PDR.

In instances where the Lao Securities Commission and Lao Securities Commission Office need further financial budgets exceeding the budget supplied by the Bank of the Lao PDR, the Ministry of Finance shall be responsible for the required exceeding budget. Any revenue as generated from the supervision of securities activities shall be transferred into the revenue account of the Bank of the Lao PDR.

Article 12. Logo and Seal

The Lao Securities Commission shall have its own logo and seal for an official use. As for the logo that contains the letter “L” there is a dot in the middle of bottom and top edge and it is entirely gold and shall be followed by the letter “a” in red and letter “o” in blue that can be pronounced as “Lao” . The following text shall be written below in Lao and in English as “Lao Securities Commission”.

Chapter VI Final Provisions

Article 13. Implementation

The Government Office, Ministries, Ministerial Equivalents, Local governmental agencies and persons who are appointed shall be aware of, and implement this Decree.

Article 14. Effectiveness

This Decree replaces the Prime Minister’s Agreement No.051/PM, dated 25 May 2009, on Securities and Exchange Commission Appointment, Agreement No.96/PM dated 25 October 2011 on Amendment to the Organization Chart of Securities and Exchange Commission, and Agreement No.29/PM dated 27 July 2012 on Securities and Exchange Commission Appointment.

This Decree shall enter into force as at the date of signing.

Prime Minister

(Signed and Sealed)

Thongsing Thammavong