

| GENERAL INFORMATION                         |  |
|---|--|
| <b>Name of formality</b>                    | License to Establish a Custodian Bank  |
| <b>Type of formality</b>                    | License  |
| <b>Date of last modification</b>            | 27.12.2017   |
| <b>Responsible Authority</b>                | Lao Securities Commission Office<br>(021 217770;)  |
| <b>Who should apply for this formality?</b> | Any domestic or foreign commercial bank with the purpose of operating as a custodian bank, to act as a custodian and managing investor's assets, clearing and settling securities transactions in the Lao PDR. |

|   |  |
|---|--|
| <b>Qualifications needed by the business to get the formality</b> | <p>1. Must be a domestic commercial bank or a branch of a foreign commercial bank</p> <p>2. Must be in a stable financial position in accordance with the related regulations under the Bank of Lao PDR</p> <p>3. Must have the asset management system, internal audit, and risk management including secured and flexible bank accounts &amp; securities accounts monitoring system.</p> <p>4. Have a secured and flexible securities transaction clearing-settlement system for both domestic and overseas.</p> <p>5. Have an Information Technology system that links with stakeholders and ensure high-level security.</p> <p>6. Have a mutual agreement with Lao Securities Exchange's (Securities Depository Centre) and Securities company</p> <p>7. Must have qualified executives and employees with at least a bachelor's degree level or above in Financial-Banking, Accounting, or other related areas. And have experience in such a field for 3 years or above, have never been convicted on criminal offenses such as fraud, embezzlement, forgery, bribery, corruption, or money laundering, and have never committed any offense in the securities business sector.</p> <p>8. Have a Division or Unit for Safekeeping and Managing investor's assets or act as an agent to protect the rights and benefits of the investors. And have an appropriate number of employees in the relevant position.</p> <p>9. For the foreign commercial bank that intended to operate as a custodian bank in Lao PDR, other than the conditions mentioned above, the applicant must also have a joint agreement with a domestic commercial bank located in Lao PDR to act as a correspondent bank for monetary or securities payment. The foreign commercial bank must come from a country where the securities regulators in Lao PDR have tied cooperation with by signing a memorandum of understanding.</p> <p>10. Other conditions stipulated by the LSC</p> |
|---|--|

| LEGAL FRAMEWORK              |          |            |  |
|------------------------------|----------|------------|--|
| Name                         | Number   | Date       | Comment  |
| Regulation on Custodian Bank | 010/LSCO | 07.05.2014 | Chapter 2 Application to be the Custodian Bank (Article 3 to Article 7)<br>Chapter 4 Obligations and Fees (Article 12) |
| Law on Securities            | 21/NA    | 10.12.2012 | Part IV Securities Intermediaries Chapter 3 Custodian Bank   |

| REQUIRED DOCUMENTS FORMALITIES |                    |                       |
|--------------------------------|--------------------|-----------------------|
| Name                           | Type               | Comment               |
| `\${SUPPORT_NAME}`             | `\${SUPPORT_TYPE}` | `\${SUPPORT_COMMENT}` |

| LIST OF ATTACHED DOCUMENTS FOR FIRST TIME APPLICATION |                     |                     |
|---|---------------------|---------------------|
| Name of document                                      | Type of document    | File of document    |
| \${ATTACHMENT_NAME}                                   | \${ATTACHMENT_TYPE} | \${ATTACHMENT_FILE} |

| LIST OF ATTACHED DOCUMENTS FOR RENEW APPLICATION |                           |                           |
|--|---------------------------|---------------------------|
| Name of document                                 | Type of document          | File of document          |
| \${ATTACHMENT_NAME_RENEW}                        | \${ATTACHMENT_TYPE_RENEW} | \${ATTACHMENT_FILE_RENEW} |

| MEAN OF PRESENTATION                                      |   |  |
|---|---|--|
| Means of presentation                                     | At the Authority Offices                          |  |
| Address of authority                                      | Lao Securities Commission Office, Bank of Lao PDR |  |
| Time it takes to the authorities to process the formality | 45  |  |

| RENEWAL INFORMATION  |  |  |
|--|--|--|
| Does the formality have a validity or an expiration date?  | How long will the formality be valid for? (in months)                        |  |
| NO   | 0  |  |
| What is the process and conditions to get the formality?   |  |  |
| What is the process and conditions to renew the formality? | No renewal requirement but the applicant shall pay the Annual Management Fee |  |

| ISSUING FEES          |  |  |  |  |
|-----------------------|--|--|--|--|
| Has application fees? | Service fees businesses need to disburse | Certificate fees businesses need to disburse | Application fees businesses need to disburse | Total fees businesses need to disburse |

|                         |                                       |             |            |             |
|-------------------------|---------------------------------------|-------------|------------|-------------|
| YES                     | 0.00                                  | 20000000.00 | 5000000.00 | 25000000.00 |
| Comments                | Refer to LSCO Regulation No. 010/LSCO |             |            |             |
| ADDITIONAL ISSUING FEES |                                       |             |            |             |
| Additional fee names    |                                       |             |            |             |
| NO                      | 0.00                                  | 0.00        | 0.00       | 0.00        |
| Additional fee comments |                                       |             |            |             |

| RENEWAL FEES                     |  |  |  |  |
|----------------------------------|--|--|--|--|
| Has renewal fees?                | Service fees businesses need to disburse   | Certificate fees businesses need to disburse | Renewal fees businesses need to disburse | Total renewal fees businesses need to disburse |
| NO                               | 0.00   | 0.00   | 0.00                                     | 0.00   |
| Comments                         | The enterprise does not need to renew the license but it shall pay 30,000 LAK for the Annual Management Fee. |  |  |  |
| ADDITIONAL RENEWAL FEES          |  |  |  |  |
| Additional renewal fees names    |  |  |  |  |
| NO                               | 0.00   | 0.00   | 0.00                                     | 0.00   |
| Additional renewal fees comments |  |  |  |  |