

**GENERAL INFORMATION**

|   |   |
|---|---|
| <b>Name of formality</b>                    | License to Operate Banking Business (For a branch of Foreign Commercial Bank) |
| <b>Type of formality</b>                    | License   |
| <b>Date of last modification</b>            | 20.10.2020  |
| <b>Responsible Authority</b>                | Bank of Lao PDR   |
| <b>Who should apply for this formality?</b> | Individuals, legal entities that intend to operate in a banking business      |

|   |   |
|---|---|
| <b>Qualifications needed by the business to get the formality</b> | <p>Individuals and legal entities can be the shareholders of a commercial bank during the establishment, but there must be one or more banks holding more than 50% of the total voting shares. For individuals, a person can hold no more than 10% of the total voting shares. For the applicant that is a commercial bank:</p> <ol style="list-style-type: none"> <li>1. Operate the business for 3 consecutive years with profits and no accumulated loss;</li> <li>2. Must have sufficient, clear, and lawful sources of funds and have at least LAK40 trillion or equivalent to USD 5 billion in the proposed fiscal year;</li> <li>3. Must be rated BBB or higher by an international rating agency or obtained a good rating from a relevant authority;</li> <li>4. In case the applicant is a foreign bank, it must obtain permission from the relevant authority to invest in establishing a commercial bank in Lao PDR;</li> <li>5. Have a clear and realistic shareholder structure;</li> <li>6. Must be a legal entity that is suitable for obtaining a business license;</li> <li>7. Must not be on a blacklist for money laundering or terrorist financing</li> </ol> <p>For the applicant that is a non-commercial bank legal entity:</p> <ol style="list-style-type: none"> <li>1. Operate the business for 3 consecutive years with profits and no accumulated loss;</li> <li>2. Must have sufficient, clear, and lawful sources of funds and have no less than twice the value of the shares of the bank in the proposed fiscal year;</li> <li>3. Have a clear and realistic shareholder structure;</li> <li>4. Must be a legal entity that is suitable for obtaining a business license;</li> <li>5. Must not be on a blacklist for money laundering or terrorist financing.</li> </ol> <p>For the applicant that is an individual:</p> <ol style="list-style-type: none"> <li>1. Must have sufficient, clear, and lawful sources of funds and have no less than twice the value of the shares of the bank in the proposed fiscal year;</li> <li>2. In a case of being a majority shareholder, the individual must have the appropriate qualifications and experience to operate in the financial-banking business.;</li> <li>3. Never held a criminal conviction for theft, fraud, embezzlement, forgery, bribery, corruption, money laundering, terrorist financing or other financial and monetary and monetary related crimes or drug trafficking;</li> <li>4. Must be an individual that is suitable for obtaining an establishing license;</li> <li>5. Must not be on a blacklist for money laundering or terrorist financing.</li> </ol> |
|---|---|

| <b>LEGAL FRAMEWORK</b>   |               |             |                |
|--|---------------|-------------|----------------|
| <b>Name</b>  | <b>Number</b> | <b>Date</b> | <b>Comment</b> |
| Law on Commercial Bank (Amended)                                   | 56/NA         | 07.12.2018  |                |
| Decisions on Commercial Bank and Branch Establishment              | 42/BoL        | 15.01.2016  |                |
| Decisions on the Commercial Bank Establishment and Management Fees | 1034/BoL      | 21.11.2011  |                |

**REQUIRED DOCUMENTS FORMALITIES**

| <b>Name</b>        | <b>Type</b>        | <b>Comment</b>        |
|--------------------|--------------------|-----------------------|
| `\${SUPPORT_NAME}` | `\${SUPPORT_TYPE}` | `\${SUPPORT_COMMENT}` |

**LIST OF ATTACHED DOCUMENTS FOR FIRST TIME APPLICATION**

| <b>Name of document</b> | <b>Type of document</b> | <b>File of document</b> |
|-------------------------|-------------------------|-------------------------|
| `\${ATTACHMENT_NAME}`   | `\${ATTACHMENT_TYPE}`   | `\${ATTACHMENT_FILE}`   |

**LIST OF ATTACHED DOCUMENTS FOR RENEW APPLICATION**

| <b>Name of document</b>     | <b>Type of document</b>     | <b>File of document</b>     |
|-----------------------------|-----------------------------|-----------------------------|
| `\${ATTACHMENT_NAME_RENEW}` | `\${ATTACHMENT_TYPE_RENEW}` | `\${ATTACHMENT_FILE_RENEW}` |

**MEAN OF PRESENTATION**

|  |                          |  |
|--|--------------------------|--|
| <b>Means of presentation</b>                                     | At the Authority Offices |  |
| <b>Address of authority</b>                                      | Bank of Lao PDR          |  |
| <b>Time it takes to the authorities to process the formality</b> | 100                      | The period for considering the issuance of a temporary license is within 90 days and the period for issuing the permanent license for the establishment is within 10 working days if the applicant meets the requirements. |

**RENEWAL INFORMATION**

|   |  |
|---|--|
| <b>Does the formality have a validity or an expiration date?</b>  | <b>How long will the formality be valid for? (in months)</b> |
| NO  | 0  |
| <b>What is the process and conditions to get the formality?</b>   |  |
| <b>What is the process and conditions to renew the formality?</b> |  |

| <b>ISSUING FEES</b>            |  |   |   |   |
|--------------------------------|--|---|---|---|
| <b>Has application fees?</b>   | <b>Service fees businesses need to disburse</b>  | <b>Certificate fees businesses need to disburse</b> | <b>Application fees businesses need to disburse</b> | <b>Total fees businesses need to disburse</b> |
| YES                            | 60000000.00                                      | 10000000.00   | 0.00  | 70000000.00                                   |
| <b>Comments</b>                | According to the recommendation of the authority |   |   |   |
| <b>ADDITIONAL ISSUING FEES</b> |  |   |   |   |
| <b>Additional fee names</b>    |  |   |   |   |
| NO                             | 0.00   | 0.00  | 0.00  | 0.00  |
| <b>Additional fee comments</b> |  |   |   |   |

| <b>RENEWAL FEES</b>                     |   |   |   |   |
|---|---|---|---|---|
| <b>Has renewal fees?</b>                | <b>Service fees businesses need to disburse</b> | <b>Certificate fees businesses need to disburse</b> | <b>Renewal fees businesses need to disburse</b> | <b>Total renewal fees businesses need to disburse</b> |
| NO                                      | 0.00  | 0.00  | 0.00  | 0.00  |
| <b>Comments</b>                         |   |   |   |   |
| <b>ADDITIONAL RENEWAL FEES</b>          |   |   |   |   |
| <b>Additional renewal fees names</b>    |   |   |   |   |
| NO                                      | 0.00  | 0.00  | 0.00  | 0.00  |
| <b>Additional renewal fees comments</b> |   |   |   |   |