

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Control Department

No. /CD

**CONDITIONS FOR ESTABLISHING BANKS
IN THE LAO PDR**

Commercial banks, Companies or Groups of individuals who would like to establish a commercial bank and commercial bank branch in the Lao PDR must submit the following documents:

1. Application form for establishing bank commercial or bank branch which includes:
 - Company's or bank's background in brief;
 - Reason for wanting to establish or open a commercial branch in the Lao PDR;
 - Economic financial and monetary purpose or goal in establishing or opening a commercial bank.
2. Letter of authorization or letter of approval which includes detailed conditions from the concerned authorities (Ministry of Finance, Central Bank, Ministry of Commerce or others).
3. Copy of the letter of registration along with the bank's charter and internal regulations from the country in which the bank is located.
4. Bank's or company's rules or regulations (Memorandum of Association and Articles of Association) and confirmation from the state or other organization with authority in the country of origin.
5. Copy of official documents showing the bank's financial situation for the last three years. (Annual Report and Balance sheet).
6. Letter pledging to abide by all of the conditions and regulations pertaining to the establishment of a commercial bank and branch in the Lao PDR.
 - Plan for establishing a commercial bank or branch bank in the Lao PDR which covers such issues as:
 - Registration of capital (the bank of the Lao PDR requires a minimum of 10 million US dollars);

- Plan to make payment of registered capital within 90 days from the date of receipt of authorization from the bank of the Lao PDR, and open the commercial bank or branch bank within 6 months from the date of authorization;
 - The primary focus of the commercial and branch bank must be stated (i.e. agriculture, industries, merchant, commercial, services or handicraft);
 - Programs for promoting foreign investment in the Lao PDR (e.g. projects which desire to invest, are in the process of investing or are already investing in the Lao PDR, and provide details);
 - Economic, financial and monetary strategy for operating in the Lao PDR.
8. Project plan to establish the bank in the Lao PDR both short term and long term, including the following:
- Plan for construction or office rental;
 - Plan to use electronic banking or other sophisticated technology in your bank operations.
 - Plan for personnel including number of Laotian and foreign employees and level of education and experience; training plan; minimum and maximum salaries.
9. Application for investment in the Lao PDR of the FIMC (Foreign Investment Management Committee).
10. Measures to regulate and control branch in overseas countries.
11. Organizational structure of commercial or branch bank (in country of origin).
12. The application must be submitted in duplicate and both copies must include both Lao and English languages.

Vientiane, 30 November 1995
Control Department
Bank of the Lao PDR