



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

President

No. 003/P

Vientiane Capital, 05 January 2024

**DECREE
OF THE PRESIDENT
OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC
ON PROMULGATION OF THE LAW ON PAYMENT SYSTEM
(AMENDED)**

- Pursuant to the Constitution of the Lao People's Democratic Republic (2015 Amendment), Chapter VI, Article 67, Clause 1,
- Pursuant to the Resolution of the National Assembly, No. 103/NA, dated 20 November 2023, adopting of the Law on Payment System (Amended);
- Pursuant to the Proposal Letter of the National Assembly Standing Committee, No. 33/SC, dated 20 December 2023.

**The President
of the Lao People's Democratic Republic
Decreed that:**

Article 1 The Law on Payment System (Amended) is hereby promulgated.

Article 2 This Presidential Decree is effective from the date of signature.

President of the Lao PDR

Thongloun Sisoulith



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

National Assembly

**No. 103/NA
Vientiane Capital, 20 November 2023**

**RESOLUTION
OF THE NATIONAL ASSEMBLY
ON ADOPTION OF THE LAW ON PAYMENT SYSTEM
(AMENDED)**

- Pursuant to the Constitution of Lao People's Democratic Republic, No. 63/NA, dated 8 December 2015, Article 53, Clause 1,
- Pursuant to the Law on Amendments of some Articles of the Law on National Assembly and the Law on Provincial People Assemblies, No. 82/NA, dated 30 June 2020, Article 11, Clause 1.

After extensive and in-depth discussion and consideration regarding the contents of the Law on Payment System (Amended) during the 7th Ordinary Session of the Ninth Legislature in the afternoon session held of 10th November 2023, and the Law was adopted on 20th November 2023,

The National Assembly's Session has resolved:

Article 1 To adopt the Law on Payment System (Amended) by majority vote of the National Assembly's members.

Article 2 This Resolution is effective from the date of signature.

President of National Assembly

Dr. Xaysomphone Phomvihane



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

No. 45/ NA

Vientiane Capital, 20 November 2023

Unofficial Translation
Law
on Payment System
(Amended)

Part I
General Provision

Article 1 (Amended) Objective

This Law defines principles, regulations and measures on the supervision and oversight of the payment system's activities in order to ensure the compliance, convenience, swiftness, safety, transparency, modernization and effectiveness of the activities with the aim to maintain the financial and monetary stability, to ensure the promotion of trade, service, investment, financial inclusion, and the ability of regional and international integration, contributing to the national socio-economic development.

Article 2 (Amended) Payment System

Payment system is the whole activities relating to payment services by using payment instruments, channels, and mechanism of the payment system operators and payment service providers.

Article 3 (Amended) Definition

Terms used in this Law shall have the meanings as defined below:

1. **Payment** means the act of paying or receipt of payment for goods, services, debts or other obligations by using lawful payment instruments, channels, and mechanisms;
2. **Money transfer** means movement of cash, deposit, and electronic money from payer to payee through payment system;
3. **Interoperability** means the interlinking between payment systems of the similar or different features to facilitate payment service and enable interoperable operation;
4. **Debit Card** means a card bound with deposit account, which can be utilized based on the balance available in the account;
5. **Credit Card** means a card with a line of credit, which can be utilized based on the approved credit line limit;

6. **Prepaid Card** means a card which is required a stored amount of money onto the card before using, and can be utilized based on the balance available in the card.

7. **Advanced Money** means an amount of money which payment service provider received from end users, in the form of cash or deposit to exchange for electronic money that will be put onto the electronic money account, and subject to be waiting for payment order from the end users. The balance of advanced money shall be equal to the outstanding balance of the electronic money in the system;

8. **Managements** mean members of board of directors, directors, managers, or other persons with equivalent position, and committees who having the rights on decision-making on all procedural operation of payment system;

9. **Outsourcing Service Provider** means a legal entity hired by Retail Payment System Operator or Payment Service Provider to support in payment services operation and to partially manage the services on their behalf, such as information and technology system, operation, and key services.

10. **Payment Business Operator** means Retail Payment System Operator and Payment Service Provider authorized by the Bank of the Lao PDR;

11. **Card Reader Machine** means a device for reading the card by swiping or touching the card in order to make payment for goods or services.

12. **Mobile Banking** means a channel for financial transaction execution used by individual or legal entity, who has deposit account with a bank, via mobile phone that installed with the program that can operate or process money transfer, credit payment, opening or closing of deposit account and other functions.

13. **Internet Banking** means a channel for financial transaction execution used by individual or legal entity, who has deposit account with a bank, via electronic devices through the internet system in the form of web base for disbursement of salaries, wages, transfer of money to pay for raw materials used for manufacture, and others.

Article 4 (Amended) State Policy on Payment System

The State supports and promotes payment system development to be robust, modern, convenient, and safe by issuing coherent policy, developing infrastructure, providing human resources, funds, equipment as well as creating favorable conditions for payment system supervisory bodies and other relevant authorities as deemed appropriate.

The State promotes individuals, entities, and organizations to participate in the development, management, and use of payment system in order to reduce the use of cash.

Article 5 (Amended) Principles of the Payment System's Activities

The payment system activities shall comply with the following principles:

1. consistent with direction, policy, strategy, law, and national socio-economic development plan;
2. Ensure centralized and unified oversight nationwide;
3. Ensure financial stability, safety, and good governance;
4. Maintain equality, modernization, fairness, transparency, and auditability;

5. Protect legitimate rights and interests of the service users.

Article 6 (Amended) Scope of Application

This Law applies to domestic and foreign individuals, entities and organization that operate or engage in the payment system activities of Lao PDR domestically and abroad.

Article 7 (Amended) International Cooperation

The State promotes and widely opens for cooperation with foreign country, regional and international on activities relating to payment system by sharing information, lessons learned, experience and technology, and developing human resource in order to supervise/oversee and modernize payment system aligned with international standards, in order to enable the interoperability with regional and international payment systems, complying with international treaties and conventions to which the Lao PDR is a Party.

Part II

Payment System

Section 1

Forms of Payment Systems

Article 8 (Amended) Type of Payment Systems

Payment systems consist of Three following types:

1. Systematic Important Payment System;
2. Retail Payment System;
3. Payment Service.

Article 9 (New) Systematically Important Payment System

Systematically Important Payment System is the core payment system of the nation, serving as a central hub for linkage of its members, which comprise of Commercial Banks, National Treasury, and Securities Exchange, to facilitate activities of financial market and capital market. The disruption and/or interruption of the system will cause impacts to the national financial and monetary stability and economy.

The Bank of the Lao PDR defines the Systematically Important Payment System according to the scope of operation, level of risks affecting the financial and monetary system, and level of concerns to the economic system in each period.

Article 10 (New) Retail Payment System

Retail Payment System is the payment system that serves as a hub for direct or indirect linkage of its members, which comprise of Commercial Banks, Micro-financial Institutions and/or Payment Service Providers who are Non-financial institutions and authorized by the Bank of the Lao PDR. The disruption and/or interruption of the system will cause impacts to the stability and durability of the Retail Payment System and benefits of users.

Article 11 (New) Payment Service

Payment Service is a service of a payment service provider to facilitate the payment for goods or services, debts or other obligations through payment instruments, channels, and other mechanisms. The disruption and/or interruption of the system will cause impacts to the stability of the payment service provider and benefits of end users leading to the decrease of trustworthiness to the payment service provider.

Section 2**Payment Instruments and Channels****Article 12 (New) Payment Instruments**

Payment instruments are as follows:

1. Cash;
2. Cheque;
3. Card;
4. Electronic money.

In addition, the Bank of the Lao PDR shall define other payment instruments as deemed necessary.

Article 13 (Amended) Cash

Cash is a payment instrument, which consists of banknote and coin, used in payment for goods, services, debts, and other obligations.

Principles and management of the use of cash are provided in a specific regulation.

Article 14 (Amended) Cheque

Cheque is a payment instrument used in payment for goods, services, debts, and other obligations.

The main types of cheques include Order Cheque, Bearer Cheque, Crossed Cheque and Traveler's Cheque.

Individual, legal entity and organization may use cheques to pay for goods, services, debts, or other obligations by which the drawer shall be responsible for the payment order according to the amount written on the cheque to the payee or bearer.

Cheque Issuers are comprised of the Bank of the Lao PDR, National Treasury, Commercial Banks, and Deposit-taking Micro-financial Institutions whom authorized by the Bank of the Lao PDR and shall be member of the cheque clearing house.

Cheque settler has duty to clear for its member in order to provide the liquidity of cheque payment in the society.

Content, method of use, certification and guarantee of cheque, obligations of issuer and cheque user are provided for in a specific regulation.

Article 15 (Amended) Card

Card is a card that used in payment for goods, services, debts, or other obligations, which is either bound or unbound with the deposit account or a line of credit of the cardholder, in the form of physical or virtual card.

Card includes Debit Card, Pre-paid Card and Credit Card.

Card payment may be conducted within the same or across networks of domestic and foreign payment service provider.

Standards, principles, scope of use, and supervision of card payment service are provided in a specific regulation.

Article 16 (Amended) Electronic Money

Electronic money is the value of money stored in a form of the magnetic band, chip, program or other which issued by payment service provider according to the value of cash or deposit received from end users.

Electronic money issued by Payment Service Providers in the Lao PDR shall be in KIP only.

Electronic money service providers are prohibited to use the advanced money received from end users to provide credit by themselves, or through another financial institution, or to provide credit to their payment system operator.

Terms and conditions on management of the advanced money are provided in a specific regulation.

Article 17 (New) Payment Channel

Payment channel is a form of accessibility to payment services set out by payment service provider, which comprised of:

1. Payment services provided by employees of payment service provider at the counter service such as office, branches, service units and agents of payment service via any kind of electronic devices.
2. Payment services provided through payment devices defined by the Bank of the Lao PDR, such as card reader machine, Automated Teller Machine/Cash Deposit Machine mobile banking, internet banking.

Standards of each payment channel are provided in a specific regulation.

Article 18 (New) Development in Payment Technology

Development in payment technology and innovation is the use of technology into the development of payment products and payment service systems by defining scope, timeframe in testing the use of such technology in order to increase effectiveness, convenience, safety while lowering cost and fulfilling the needs in the use of financial services.

The Bank of the Lao PDR collaborates with relevant sectors to encourage, to promote, and to facilitate the development of payment systems and technology.

Legal entities and organizations wishing to develop payment systems technology in the Lao PDR have to obtain the approval from the Bank of the Lao PDR according to the requirements as provided in a specific regulation.

Article 19 (New) Cross-border Payment

Cross-border payment is the interoperability of payment system of the Lao PDR with the overseas payment system to facilitate payment services between resident-payers/payees residing in the Lao PDR and payers/payees residing in overseas. Cross-border payment can be made through Retail Payment System and/or Payment Service either in bilateral or multi-lateral form as authorized by the Bank of the Lao PDR.

Payment Business Operator wishing to provide cross-border payment service has to obtain the license from the Bank of the Lao PDR.

Types, conditions, and procedures of consideration and authorization for cross-border payment service are provided in a specific regulation.

Section 3**Payment Mechanism and Finality of Payment****Article 20 Payment Mechanism**

Payment mechanism is process of payment consisting of:

1. Payment order;
2. Clearing;
3. Settlement.

Article 21 (Amended) Payment Ordering

Payment order is an issuance of money transfer order, via paper-based or electronic means, made by end user through a payment channel in order to exercise end users' rights and obligations.

Article 22 Clearing

Clearing is the process of reconciling and arranging the value of transactions between the branches or agents of payment service providers within the same network or across through different networks in order to establish the final position for settlement.

The clearing across different networks shall comply with regulations issued by payment system operator, who authorized by the Bank of the Lao PDR.

Article 23 Settlement

Settlement is the process of debiting funds from the payer's account and crediting into the payee's account.

Settlement consists of Two types as below:

1. Gross settlement is a settlement of transaction on order basis, which has to be settled according to the transferring order that occurs immediately upon receiving each payment order.
2. Net settlement is a settlement based on the net balance at a single or several times per day after clearing as specified by payment system operator.

Article 24 (New) Payment Finality

A payment will be considered as final only when the money in the payer's account had been debited and credited into the payee's account.

Payment error is payment order sent by payer into the payment system which is either successful or unsuccessful, but an error occurred due to the interruption of the payment service provider's system, mistake made by payment service provider or end user, such as name, account number, currency or the amount of money are incorrect.

Article 25 (New) Rectification of Payment Error

Payment error occurred due to the system interruption or by mistake made by payment service provider, the payment service provider has to rectify such error or to compensate the damage to end user in accordance with the law.

Payment error occurred by mistake made by end user, the end user shall actively take actions to rectify such error by himself/herself, or propose payment service provider to provide information, to reconcile or to rectify such error in accordance with the law.

Payment system operator and payment service provider shall define the requirements and procedures of rectification of payment error.

Part III

Payment System Operator, Payment Service Provider and End User

Section 1

Payment System Operator and Payment Service Provider

Article 26 (Amended) Payment System Operator

Payment System Operator includes Systematically Important Payment System Operator and Retail Payment System Operator.

The Systematically Important Payment System Operator is the Bank of the Lao PDR or the legal entity designated by the Bank of the Lao PDR to be the operator to provide clearing and/or settlement service for its members.

The Retail Payment System Operator is financial institution who is in charge of clearing and/or settling of such retail payment system.

Article 27 (New) Rights and Duties of the Systematically Important Payment System Operator

Rights and duties of the Systematically Important Payment System Operator are:

1. To apply policy, law, strategy on payment system activities into action plans, projects – programs for implementation;
2. To define policies and regulations on the operation of the Systematically Important Payment System;

3. To explore and define requirements on membership, rights, and duties of member of the Systematically Important Payment System, including suspension and termination of membership;
4. To provide training, dissemination, and instruction on the Systematically Important Payment System to members;
5. To establish risk prevention mechanism for liquidity risk, operational risk, and information and technology risk;
6. To design and implement Business Continuity Plans and Contingency Plans;
7. To require members to pledge cash or deposit in order to mitigate liquidity risk;
8. To assess, evaluate and test on risks relevant to the Systematically Important Payment System;
9. To monitor, examine members on the use of the Systematically Important Payment System;
10. To exercise other rights and duties as stipulated in the law.

Article 28 (Amended) Rights and Duties of the Retail Payment System Operator

Rights and duties of the Retail Payment System Operator are:

1. To apply policy, law, strategy on payment system activities into business plan and to efficiently implement those plans;
2. To draft rules, regulations, and guideline on the operation of the system in accordance with the law;
3. To explore and define requirements on membership, rights, and duties of member of the Retail Payment System, including suspension and termination of membership;
4. To define and notice members on service fees, terms and conditions of service;
5. To design and implement Business Continuity Plans and Contingency Plans;
6. To require members to pledge cash or deposit in order to mitigate liquidity risk;
7. To comply with payment prudential regulations defined by the Bank of the Lao PDR;
8. To hire outsourcing service provider to assist and provide payment service on its behalf, and to be responsible for damages caused by the outsourcing service provider as such damages were caused by retail payment operator;
9. To keep on all information of the transactions related to the operation of its payment system;
10. To settle disputes related to its payment system;
11. To be responsible and to compensate for any damage occurred due to error in its payment system;
12. To comply reporting regime specified by the Bank of the Lao PDR;
13. To exercise other rights and duties as stipulated in the law.

Article 29 (Amended) Payment Service Provider

Payment Service Provider is financial institution authorized by the Bank of the Lao PDR to provide payment services by providing one or several payment instruments as described in Article 12 of this Law, and has its own payment system or linked with other systems.

Article 30 (Amended) Rights and Duties of Payment Service Provider

Rights and duties of Payment Service Provider are:

1. To provide payment service through payment instruments and payment service system as authorized by the Bank of the Lao PDR;
2. To draft rules, regulations, and guideline on the operation and services in accordance with the law;
3. To comply with payment prudential regulations defined by the Bank of the Lao PDR;
4. To comply with Know-Your-Customer (KYC) and user's information confidentiality principle as stipulated in the law;
5. To define and notice end users on service fees, terms and conditions of service;
6. To hire outsourcing service provider to provide payment service on its behalf, and to be responsible for damages caused by the outsourcing service provider as such damages were caused by the payment service provider;
7. To appoint agents of payment service to provide service on its behalf;
8. To keep on all information of transactions related to the operation of its payment services;
9. To settle disputes related to its payment service;
10. To suspend receiver's account activities in accordance with the amount of money received from illegal transfer for Seventy-Two hours from the time of receiving the written appeal from the transferor;
11. To request other payment service providers to suspend receiver's account activities in accordance with the amount money that mistakenly transferred;
12. To be responsible and to compensate for any damage caused by its mistakes;
13. To comply reporting regime specified by the Bank of the Lao PDR;
14. To exercise other rights and duties as stipulated in the law.

Section 2

License

Article 31(Amended) Application for License

Legal entity wishing to operate payment business shall firstly submit application for enterprise registration to the industry and commerce sector. After obtaining the enterprise registration, that legal entity shall submit application for payment business operation to the Bank of the Lao PDR.

Commercial banks, deposit-taking and non-deposit-taking micro-financial institutions can be Payment Service Provider without obtaining payment business license. As for Retail Payment System Operator is subject to apply for license from the Bank of the Lao PDR.

The list of supporting documents to the application for license is provided in a specific regulation.

Article 32 (Amended) Conditions of Application for License

Conditions of the application for payment business operation are as below:

1. Conditions for Retail Payment System Operator are:
 - 1.1 Being a legal entity;
 - 1.2 Having sound financial position and capital for business operation as required by the Bank of the Lao PDR;
 - 1.3 Having economical and technical feasibility study;
 - 1.4 Having managers with qualifications and experiences in banking-finance, information technology or relevant fields, and do not have record of criminal punishment as intentional offences such as financial criminal, banking, or money laundering offence;
 - 1.5 Having skillful and knowledgeable employees in banking-finance, information technology or relevant fields;
 - 1.6 Having a comprehensive internal operating system, including information technology system and internal control system;
 - 1.7 Having a proper office location;
 - 1.8 Fulfilling other conditions as required by the Bank of the Lao PDR.
2. Conditions for Payment Service Provider are:
 - 2.1 Having conditions as specified in Clause 1 of this Article;
 - 2.2 Having a protective system on asset acquired from end users or through other payment service providers;
 - 2.3 Having its own system connected with other payment systems in the Lao PDR.

Article 33 (Amended) Consideration of Application

The Bank of the Lao PDR shall issue payment business license within Thirty days starting from the date of receiving the application together with a complete set of supporting documents. In case of rejection, the applicant shall be informed the reasons in a written response.

During the consideration, if deemed necessary, the Bank of the Lao PDR has the rights to demand for additional documents and information, or to invite the persons concerned to give clarification or further information.

Article 34 (Amended) Use of Payment Business License

Payment business operator shall use payment business license in compliance with the scope of the license, and has no rights to assign, transfer or hand-over the license to other person to use.

Payment business license has a specific term of use as defined by the Bank of the Lao PDR and the term of use can be extended.

Section 3

Prudential Requirement, Accounting, Reporting and Audit

Article 35 (New) Prudential Requirement

Payment business operator shall comply with the principle of prudential requirement such as capital adequacy, risk control mechanism, internal corporate governance, and payment system's security in accordance with the law and regulations as defined by the Bank of the Lao PDR.

Article 36 (New) Accounting

Payment business operator shall implement accounting standard together with implement the accounting chart in accordance with the Law on Accounting and regulations defined by the Bank of the Lao PDR.

The accounting year of payment business operator begins from the 1st January and ends on the 31st December of each year.

Article 37 (New) Financial Reports

Payment business operator shall prepare financial reports on monthly, quarterly, and annually basis which comprising of Balance sheet, Profit and loss statement, Cash flow statement, change in equity statement, and notes to financial reports.

Article 38 (New) Reporting

Payment business operator shall report its business operation according to the regulations and reporting forms as defined by the Bank of the Lao PDR.

Article 39 (New) Information Keeping

Payment business operator shall keep on all information, documents and/or electronic records related to its transactions to facilitate the inspection or operation that may occur.

Information, documents and/or electronic records shall be kept at least for a period of Ten years following the completion of documents or transactions or expiration of contracts.

Article 40 (New) Audit

In every year, Payment business operator shall be audited by an external audit firm to certify the accuracy and completeness of accounting, financial reports, internal control system, and effectiveness of operation as well as to receive recommendation on remedial measures.

Payment business operator shall select and hire external audit firm as defined by the Bank of the Lao PDR.

Section 4 Suspension and Revocation

Article 41 (New) Suspension of Payment Business Operation

Payment business operator is subject to be partially or wholly suspension of business operation by the following cases:

1. Receiving the request from payment business operator;
2. Obtaining license by providing false information;

3. Operating business beyond the scope of the license;
4. Failing to fulfill tax obligations and other obligations as stipulated in the law;
5. Violating law and regulations related to payment system.

In case the payment business operator failed to resolve and rectify issues pursuant to the warning notification, the Bank of the Lao PDR shall issue an order to suspend the business operation.

Article 42 (New) Revocation of Payment Business Operation License

Payment business operator is subject to having the business license revoked by the following cases:

1. Receiving the request from payment business operator;
2. Non-resolving and non-rectifying issues pursuant to the suspension order;
3. Handing the payment business license to other legal entity for use;
4. Having been sentenced by the court to be dissolved or bankrupted;
5. Failing to operate or unable to operate payment business regularly and continuously for One year period after obtaining the license;
6. Severely violating the law and regulations on payment activities.

The Bank of the Lao PDR shall notify the revocation of payment business license to Ministry of Industry and Commerce to remove the operators' names from the national enterprise database and shall inform the public through the mass media channels for Fifteen consecutive days from the date of revocation of payment business license.

Article 43 (New) Liquidation

Payment business operators, whom the licenses were revoked as prescribed in Article 42 of this Law, is subject to liquidation in the following cases:

1. In the case of voluntary license revocation, payment business operator has to priory complete its liquidation, then the Bank of the Lao PDR shall proceed the license revocation;
2. In the case of license revocation according to Article 42, Clauses 2, 3, 5 and 6 of this Law, the Bank of the Lao PDR is subject to appoint a liquidation committee to proceed the liquidation;
3. In the case of license revocation pursuant to the decision of the court as termination or bankruptcy, the liquidation shall be proceeded accordingly with the concerned laws.

Section 5 End User

Article 44 (Amended) Service User

End User includes domestic and foreign individuals, legal entities and organizations who made financial transactions through payment system operator and/or payment service provider.

Article 45 (Amended) Rights and Duties of End User

Rights and duties of end user are as below:

1. To get necessary information from payment system operators and/or payment service provider;
2. To study, explore and learn how to use modern payment instruments;
3. To receive information on transactions from payment system operator or payment service provider;
4. To use the payment instruments in accordance with terms and condition set out by payment system operator or payment service provider;
5. To cooperate in the inspection carrying out by the Bank of the Lao PDR, payment system operator or payment service provider;
6. To provide relevant information to payment system operator and payment service provider for the purpose of resolving dispute on error payment;
7. To claim compensation for damage caused by any errors in using the payment system;
8. To request payment system operator, payment service provider, the Bank of the Lao PDR, the Office of economic dispute resolution or The People's Court to consider and resolve the dispute;
9. To exercise other rights and duties as stipulated in the law.

Article 46 (Amended) Protection of End User

End user is subject to receive qualified, safe, transparent services, and be treated fairly and equally under the law, to be able to provide feedbacks and comments on payment services to payment system operator, payment service provider, or competent authorities, and to be rightful to receive legal protection on his/her rights and benefits.

Part IV Prohibitions

Article 47 (Amended) General Prohibitions

Individuals, legal entities and organizations are prohibited to:

1. Operate payment business without obtaining license;
2. Make false references or misleading advertisements that cause damage to payment system, end user and the society;
3. Abuse payment system or giving their own payment instruments to other individual or legal entity to use in illegal activities;
4. Abuse payment system or making transactions that cause disruption to financial and monetary stability;
5. Refuse, hinder, provide false information, or refusing cooperation to the Bank of the Lao PDR or relevant authorities in carrying out their missions;
6. Disrupt payment system and/or causing damage to functional operation of the system and/or end user;
7. Other behaviors that violate the law.

Article 48 (Amended) Prohibitions for Payment System Operator

Payment system operator is prohibited to:

1. Disclose end user's information without consent or permission;
2. Operate payment system without license and permission;
3. Apply unauthorized technology into payment system;
4. Withhold, delay, or conceal information relating to payment system;
5. Modify, falsify document or information relating to transaction or payment system;
6. Provide incomplete, untrue information as well as late report or non-report;
7. Refuse the cooperation in the inspection carrying out by the Bank of the Lao PDR or relevant authorities;
8. Other behaviors that violate the law.

Article 49 (Amended) Prohibitions for Payment Service Provider

Payment service provider is prohibited to:

1. Provide payment service beyond the scope of the license;
2. Issue payment instruments without permission;
3. Apply unauthorized technology into payment service;
4. Provide payment service inconsistent with information disclosed or advertisement;
5. Disclose confidential information of individual, legal entity, or organization without consent or permission;
6. Withhold, delay, or conceal information relating to payment activities;
7. Modify, falsify document or information relating to transaction or payment activities;
8. Refuse the cooperation in the inspection carrying out by the Bank of the Lao PDR, payment system operator or relevant authorities;
9. Provide incomplete, untrue information as well as late report or non-report.
10. Other behaviors that violate the law.

Article 50 (Amended) Prohibitions for End User

End user is prohibited to:

1. Abuse the payment system in illegal activities;
2. Defame payment system operator and/or payment service provider;
3. Refuse the cooperation in the inspection carrying out by payment system operator, payment service provider, the Bank of the Lao PDR, and relevant authorities;
4. Provide false information to payment service provider;
5. Disrupt payment system and/causing damage to functional operation of the system and/or another end user;
6. Other behaviors that violate the law.

Article 51 (Amended) Prohibitions for Officers and relevant Authorities

Officers and relevant authorities are prohibited to:

1. Disclose information of individual, legal entity, or organization without consent or permission;

2. Abuse their position in order to seek for benefits for themselves, their families, and/or parties;
3. Withhold, delay, or conceal information relating to payment system;
4. Demand or asking for, taking, or giving bribes or other benefits in return;
5. Other behaviors that violate the law.

Part V

Supervision and Inspection of Payment System Activities

Section 1

Supervision of Payment System Activities

Article 52 (Amended) Supervision body of Payment System Activities

The Government centrally and unanimously supervises payment system activities across the country by assigning the Bank of the Lao PDR to take direct responsibility and to be the central agency to collaborate with relevant ministries, organizations, local administrative authorities, and other sectors.

Article 53 (Amended) Rights and duties of the Bank of the Lao PDR

Rights and duties of the Bank of the Lao PDR on payment system supervision and oversight are:

1. To draft polies, laws, strategic plans on payment system to submit for the Government's consideration;
2. To apply polies, laws, strategic plans on payment system into plans, programs, projects, and secondary legislations for implementation;
3. To publish and disseminate policies, laws, strategic on payment system;
4. To consider on granting, renewing, suspension, or revocation of payment business license;
5. To approve payment service provider to issue card and electronic money, and to issue orders to suspend and cease the use of inappropriate payment instrument;
6. To define conditions, operation principles, technical standards on payment, clearing mechanism, and settlement;
7. To define principle on service fees determination of payment service provider;
8. To define policies, principles, and regulations on cross-border payment;
9. To develop and implement monitoring and inspection system on payment business operator and development in payment technology and innovation;
10. To impose measures against payment business operator who violates the law;
11. To order payment service provider to suspend activities of an account which received money from illegal transfer, in accordance with the amount of money received, based on the request of the aggrieved person or the account owner who made the payment order;
12. To build capacity, train, and upgrade staffs in terms of payment system supervision

and oversight;

13. To collaborate with relevant ministries, organizations, local administrative authorities, and other sectors, domestically and globally, in order to define on mechanisms, to assess and to oversee cybercrime;

14. To coordinate with relevant sectors, domestically and globally, to define on directives and implementation plans, to assess and to monitor payment system activities in an effective manner;

15. To summarize and report the activities of payment system to the Government on a regular basis;

16. To exercise other rights and duties as stipulated in the law.

Article 54 (New) Rights and Duties of relevant Ministries, Organizations, Local Administrative Authorities, and other Sectors

Relevant ministries, organizations, local administrative authorities, and other sectors have the rights and duties to cooperate and coordinate with the Bank of the Lao PDR in payment system supervisory in accordance with their roles and scope of responsibilities.

Section 2 Inspection of Payment System Activities

Article 55 (Amended) Inspection Body of Payment System Activities

Inspection bodies of payment system are:

1. An internal inspection agency which is the same organization as prescribed in Article 52 of this Law;
2. An external inspection body which includes National Assembly, Provincial people's councils, State Inspection Authority, State Audit Authority, Lao Front for National Construction, Lao Veterans Federation, and Mass Organizations.

Article 56 (Amended) Contents of Inspection

Contents of payment system inspection are:

1. Implementation of law and regulations on payment system;
2. Management, service operation, and the use of payment system, including payment instruments, channels, and mechanisms;
3. Internal charters on payment service such as fees and service charges collection of payment system operator and payment service provider;
4. Service providing location, equipment, machine, accounting record or other document related to accounting and transaction of payment system operator and payment service provider;
5. Contract on external supplier and outsourcing service provider recruitment;
6. Other contents as deemed necessary.

Article 57 (Amended) Forms of Inspection

Payment system inspection consists of Three forms as below:

1. Regular Inspection is conducted on regular and periodic basis;
2. Advance Notification Inspection which is an unplanned operation in case of necessary;
3. Emergency inspection which is an urgent and unplanned inspection without advance notification.

Payment system inspection shall strictly comply with the law.

Article 58 (Amended) Cross-border Inspection

The Bank of the Lao PDR collaborates with relevant competent authority of host country to conduct cross-border inspection as below:

1. Subsidiary, branch, unit, agent, and representative office of Lao's cross-border payment business operator operating abroad;
2. Foreign affiliate company which has subsidiary, branch, unit, agent, and representative office operating payment business in the Lao PDR.

Part VI

Reward Policy for Good Performers and Measure Against Violators

Article 59 Reward policy for good performers

Individual, legal entity, or organization having outstanding performance in the implementation of this Law shall be entitled to receive award or other benefit in accordance with regulation.

Article 60 (Amended) Measures against Violator

Individual, legal entity, or organization that violates this Law is subject to being reeducated, warned, disciplined, fined as well as having civil damage compensation or criminal penalty in accordance with the laws.

Part VI

Final Provision

Article 61 Implementation

The Government of the Lao PDR implements the law.

Article 62 (Amended) Effectiveness

This Law is effective from the 15th January 2024 following the issuance of promulgation decree of the President of the Lao People's Democratic Republic and the dissemination on the official gazette.

This Law replaces the Law on Payment System, No. 32/NA, dated 17 November 2017.

President of National Assembly

Dr. Xaysomphone Phomvihane