



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

**Government**

No.555/GOV  
Vientiane Capital, Dated 04 Sep 2025

**Decree on**  
**Fines and other Measures Against violation of Laws and Regulations on Anti-**  
**Money Laundering and Counter-Financing of Terrorism and financing of**  
**proliferation of Weapons of Mass Destruction**

- Pursuant to the Government Law of Lao People's Democratic Republic, No. 03/NA, dated 16<sup>th</sup> November 2024;
- Pursuant to the Anti-Money Laundering and Counter-Financing of Terrorism Law, No. 64/NA, dated 1<sup>st</sup> July 2024;
- Pursuant to the Proposal from Bank of Lao PDR, No. 123/BOL, dated 22<sup>th</sup> May 2025.

**The Government issued the Decree:**

**Chapter 1**  
**General Provisions**

**Article 1 Objective**

This Decree stipulates the principles, procedures, and measures relating to the reformation and other actions applicable to natural person who violate laws and regulations relating the anti - money laundering, the countering financing of terrorism, and the financing of proliferation of weapons of mass destruction for the purpose of serving as a basis for the supervisory agencies of reporting entities in implementing the fines measures and enforcing actions against violators in lawful, stringent, and consistent manner throughout the country, in the context of anti-money laundering and the financing of terrorism and the financing of proliferation of weapons of mass destruction in all forms, thereby strengthening the economic and financial system, ensuring its stability, promoting a peaceful and orderly society, and contributing to the protection and development of the nation.

**Article 2 Fines and other measures**

Fines is a financial measure imposed against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and the financing of proliferation of weapons of mass destruction. It is not considered a criminal offense, and the amount of the fines is specified in this decree.

Other measures refer to actions taken against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and the financing of proliferation of weapons of mass destruction, which are not considered criminal offenses. These measures include warnings, suspension of operations, dissolution and removal from the business registry, suspension of business activities or revocation of business licenses.

### **Article 3 Definitions**

The terms used in this Decree shall have the following meanings:

1. Reporting Entities refer to: Commercial banks, microfinance institutions, pawnshops, leasing companies, payment service providers, insurance companies, securities companies, Investment fund management companies, investment funds, virtual asset service providers, real estate businesses, businesses of trading in valuable goods, accounting enterprises, audit enterprises, casino businesses, law firms, lawyers, and others as designated by the National Coordination Committee for Anti-Money Laundering and Combating the Financing of Terrorism;
2. Supervisory agencies for reporting entities refer to: State organizations that have the right and duty to oversee, monitor, and inspect the operations of reporting entities. These include Bank of the Lao PDR, Ministry of Industry and Commerce, Ministry of Finance, Ministry of Justice, Ministry of Agriculture and Environment, Anti-Money Laundering Intelligence Office, Lao Securities Commission Office.

### **Article 4 Principles related to Fines and Other Measures**

Fines and Other Measures Against Violators of Laws and Regulations Related to anti-money laundering and countering the financing of terrorism, and the countering financing of proliferation of weapons of mass destruction must be implemented based on the following principles:

1. Compliance with Laws and Regulations;
2. Centralized and unified supervision nationwide;
3. Orderly, promptly, efficiently, and effective execution;
4. Consistent, accurate, transparent, fair, timely, and auditable application of fines.

### **Article 5 Scope of Application**

This Decree applies to all reporting entities, postal enterprises and legal person that are involved in, or have violated laws and regulations related to anti-money laundering and countering financing of terrorism, and, and the proliferation of weapons of mass destruction within the Lao PDR.

## **Chapter 2**

### **Fines and other Measures Against Violators of Laws and Regulations Related to Anti-Money Laundering and Countering the Financing of Terrorism**

#### **Article 6 Violations committed by reporting entities**

Violations of laws and regulations by reporting entities including their employees and management levels related to anti-money laundering and countering the financing of terrorism include the following:

1. Failure to implement internal controls;
2. Failure to assess and manage risks;
3. Failure to perform customer due diligence;
4. Lack of customer monitoring;
5. Failure to collect customer information;
6. Failure to apply enhanced due diligence to politically exposed persons (PEPs) ;
7. Failure to apply due diligence to correspondent banking;
8. Failure to maintain records of Wire transfers;
9. Failure to implement record keeping;
10. Failure to comply with reporting obligations;
11. Failure to report suspicious transactions;
12. Failure to apply provisional measures;
13. Breach of confidentiality regarding reporting;
14. Failure to conduct due diligence on their own customers;
15. Failure to report the detection or identification of funds;
16. engaging business relationships with banks or financial institutions, legal persons, or organizations with no physical presence;
17. Engaging with banks located in jurisdictions that does not has AML/CFT law;
18. Opening anonymous or numbered accounts;
19. Providing service, conducting transactions, or establishing business relationships with customers who conceal their true identity;
20. Providing services to customers with incomplete or unverifiable information/history;
21. Opening accounts or issuing electronic cards that can be used unlawfully by third parties;
22. Conducting business or transactions with natural person, legal persons, organizations, or groups listed as involved in terrorism or terrorism financing;
23. Refusal to cooperate with AML/CFT inspection teams;
24. Violating official notifications or instructions issued by the Anti-Money Laundering Intelligence Office and supervisory agencies.

## **Article 7 Violations by Postal Enterprise**

Violations of laws and regulations by the postal enterprise related to anti-money laundering and Countering financing of terrorism include the following:

1. Failure to verify their customers;
2. Failure to report the detection or identification of funds;
3. Failure to apply provisional measures to funds that have been detected or discovered;
4. Engaging business relationships with banks, financial institutions, legal persons, or entities without a physical presence;
5. Engaging business relationships with banks in countries that has no legal frameworks of withholding, seizure and freezing of funds belonging to natural person in designation listed as involved in terrorism or terrorism financing;
6. Engaging in business or transactions with natural person, legal persons, organizations, or groups that designated in listed as being associated with terrorism or terrorist financing activities.

## **Article 8 Violations by Natural person, Legal Persons, and Organizations**

Violations of laws and regulations by natural person, legal persons, and organizations involved in anti-money laundering and countering the financing of terrorism include the following:

1. Failure to report any detected activity or movement of natural person, legal persons, organizations, or groups listed or associated with terrorist activities or terrorist financing;
2. Failure to cease operations or activities of natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing;
3. Providing support to persons associated with terrorist acts or financing of terrorism;
4. Being involved with funds or assets of natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing;
5. Conducting transactions knowingly involving funds owned, controlled, or possessed fully or partially, directly or indirectly, on behalf of, or under the instruction of, natural person, legal person and organization or groups that listed or associated with terrorism or terrorist financing;
6. Concealing or disguising the nature or source of funds or assets of natural person, legal persons, or organizations listed or associated with terrorism or terrorist financing ready for use directly or indirectly, wholly or partially;
7. Any form of contact with those involved in terrorism or terrorist financing.;
8. Failure to suspense or withholding funds associated with terrorism or terrorist financing;
9. Failure to report any detection, suspicious transactions or movements related to terrorism or terrorist financing;
10. Providing false or misleading information in reports related to detected or suspected transactions or movements potentially connected with natural person, legal persons, organizations, or groups listed or associated with terrorism or terrorist financing.

## **Article 9 Fines rate to Reporting Entities**

A reporting entity that violates the laws and regulations on anti-money laundering and Countering the financing of terrorism, as specified in Article 6, clauses 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24, will be fined as follows:

1. First violation:
  - Fines of LAK 20,000,000 for staff and fine of LAK 30,000,000 for management level;
  - Fines ranging from LAK 30,000,000 to LAK 500,000,000 for reporting entities.
2. Second violation, fines will be double (2 times) the amount of the first violation fines.
3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

If a reporting entity fails to submit a report on transactions exceeding the specified threshold by the 5th of each month, as defined in Article 6, clause 10 of this decree. In addition to the fines mentioned in the first paragraph of this article, it will also be fined as follows:

1. From 6<sup>th</sup> to 10<sup>th</sup> of the month: LAK 1,000,000 per day;
2. From 11<sup>th</sup> to 15<sup>th</sup> of the month: LAK 2,000,000 per day;
3. From 16<sup>th</sup> to 20<sup>th</sup> of the month: LAK 5,000,000 per day;
4. From 21<sup>st</sup> of the month onward: LAK 10,000,000 per day.

If a reporting entity has a suspicion or sufficient reason, as determined by compliance officer (CO) that a customer's transaction is a result of, related to, or linked to a predicate offense, money laundering, or terrorist financing, but fails to report it to the Anti-Money Laundering Intelligence Office (AMLIO), as defined in Article 6, clause 11 of this decree. In addition to the fines mentioned in the first paragraph of this article, it will also be fined as follows:

1. 1-5 days after the discovery of the suspicion: LAK 2,000,000 per day
2. 6-10 days after the discovery of the suspicion: LAK 5,000,000 per day
3. 11-15 days after the discovery of the suspicion: LAK 10,000,000 per day
4. 16 days or more after the discovery of the suspicion: LAK 20,000,000 per day

If a reporting entity fails to provide additional information about a suspicious transaction to the AMLIO within the requested timeframe, it will, in addition to the fines mentioned in the first paragraph of this article, and will also be fined as follows:

1. 1-5 days after the deadline for providing information: LAK 1,000,000 per day
2. 6-10 days after the deadline for providing information: LAK 3,000,000 per day
3. 11-15 days after the deadline for providing information: LAK 5,000,000 per day
4. 16 days or more after the deadline for providing information: LAK 10,000,000 per day

A reporting entity that violates the use of provisional measures related to money laundering, as defined in Article 6, clause 12 of this decree will be fined as follows:

1. First violation:
  - Fines of LAK 30,000,000 for staff and fine of LAK 40,000,000 for management level;

- Fines ranging from LAK 50,000,000 to LAK 500,000,000 for reporting entities.
- 2. Second violation, fines will be double (2 times) the amount of the first violation fines;
- 3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

A reporting entity that violates the use of temporary measures related to terrorist financing, as defined in Article 6, clause 12 of this decree will be fined as follows:

1. First violation, fines will be from LAK 300,000,000 to 500,000,000 LAK;
2. Second violation, fines will be double (2 times) the amount of the first violation fines;
3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

#### **Article 10 Fines rate to Postal Enterprises, Natural person, Legal Entities, and Organizations**

Postal enterprises, Natural person, legal entities, and organizations that violate the laws and regulations on anti-money laundering, as specified in Articles 7 and 8 of this decree, will be fined as follows:

1. First violation:
  - Fines of LAK 30,000,000 for staff and fine of LAK 40,000,000 for management level;
  - Fines ranging from LAK 50,000,000 to LAK 500,000,000 for reporting entities.
2. Second violation, fines will be double (2 times) the amount of the first violation fines;
3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

Postal enterprises, natural person, legal entities, and organizations that violate the laws and regulations on Countering the financing of terrorism, as specified in Articles 7 and 8 of this decree, will be fined as follows:

1. First violation, fines will be from LAK 300,000,000 to LAK 500,000,000;
2. Second violation, fines will be double (2 times) the amount of the first violation fines;
3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

### **Chapter 3**

#### **Fines for Violators of Regulations on Countering the Proliferation of Weapons of Mass Destruction**

#### **Article 11 Violations by Reporting Entities and Postal Enterprises**

Violations by reporting entities and postal enterprises related to Countering the financing of the proliferation of weapons of mass destruction include:

1. Failure to verify their customers;
2. Failure to report detected, discovered, or suspicious transactions;
3. Failure to implement provisional measures;
4. Dealing with banks or financial institutions, legal entities, or organizations that have no physical existence;

5. Dealing with banks in countries that do not have laws on Countering the financing of the proliferation of weapons of mass destruction;
6. Conducting business or transactions with natural person, legal entities, and organizations or groups on the list of those involved in resolutions of the United Nations Security Council.

#### **Article 12 Violations by Natural person, Legal person, and Organizations**

Violations by natural person, legal entities, and organizations related to Countering the financing of the proliferation of weapons of mass destruction include:

1. Failure to report the discovery of activities by natural person, legal entities, and organizations or groups on the list of, or involved in, Countering the financing of the proliferation of weapons of mass destruction;
2. Failure to cease the activities of Natural person, legal entities, and organizations or groups on the list of, or involved in, Countering the financing of the proliferation of weapons of mass destruction;
3. Participating in or assisting those involved in the financing of the proliferation of weapons of mass destruction;
4. Dealing with Natural person, legal entities, and organizations on the list of, or involved in, the financing of the proliferation of weapons of mass destruction;
5. Dealing with the funds or assets of Natural person, legal entities, and organizations or groups on the list of, or involved in, the financing of the proliferation of weapons of mass destruction;
6. Engaging in activities or operations with funds, knowing that the funds are owned, controlled, or possessed, directly or indirectly, in whole or in part, by, or are acting on behalf of or at the direction of, Natural person, legal entities, and organizations or groups on the list of those involved in the financing of the proliferation of weapons of mass destruction;
7. Altering the form of the funds or assets of Natural person, legal entities, and organizations or groups on the list of, or involved in, the financing of the proliferation of weapons of mass destruction, making them ready for use, directly or indirectly, in whole or in part;
8. Failure to seize or suspend funds that are provided for the proliferation of weapons of mass destruction;
9. Failure to report the detection of or suspicious transactions or activities related to the financing of the proliferation of weapons of mass destruction.

#### **Article 13 Fines Rate**

Reporting entities, postal enterprises, natural person, legal persons, and organizations that violate the regulations related to the counter proliferation financing of weapons of mass destruction shall be fined as follows:

1. First violation, fines will be from LAK 300,000,000 to LAK 500,000,000;
2. Second violation, fines will be double (2 times) the amount of the first violation fines;
3. Third violation, fines will be triple (3 times) the amount of the first violation fines.

## **Chapter 4**

### **Other measures against violators of laws and regulations related to anti-money laundering and countering the financing of terrorism and countering the financing of proliferation of weapons of mass destruction**

#### **Article 14 Other Measures**

Reporting entities and postal enterprises that violate laws and regulations related to anti-money laundering and countering the financing of terrorism, and countering the financing of proliferation of weapons of mass destruction, in addition to being fined as stipulated in Chapters 2 and 3 of this Decree, also will be subject to one or more of the following measures such as warning, suspension of operations, dissolution and revocation of business registration, suspension of business activities or revocation of business license.

#### **Article 15 Warning**

Reporting entities, postal enterprises, natural persons, legal persons, and organizations that violate this Decree but do not cause impact or damage, and where the violation does not constitute a criminal offense, shall be given a warning.

#### **Article 16 Suspension of operations, Dissolution and Revocation of Business Registration, Suspension of Business Activities or Revocation of Business License.**

Reporting entities and postal enterprises that have already been subjected to financial penalties but remain continues to commit violations shall be suspended from operations, have their business registrations revoked or canceled, have their business activities terminated, or have their business licenses withdrawn. The case shall also be forwarded to the relevant competent authorities for further consideration.

The suspension, revocation, or cancellation of the business registration, the termination of business activities, or the withdrawal of the business license shall be carried out in accordance with applicable laws and regulations.

## **Chapter 5**

### **Implementation of Fines and Other Measures**

#### **Article 17 The organization responsible for implementing the Fines and Other Measures**

The organization responsible for enforcing fines and other measures against violators are as follows:

1. The Bank of the Lao PDR;
2. The Anti-Money Laundering Intelligence Office;
3. Other Supervisory agencies for reporting entities and Postal enterprise.

## **Article 18 Rights and Duties of the Bank of the Lao PDR**

The Bank of the Lao PDR shall have following rights and duties:

1. research and establish regulations related to the enforcement of fines and other measures against violators of laws and regulations concerning anti-money laundering and countering financing of terrorism, and countering the financing of proliferation of weapons of mass destruction;
2. Suspend business operations or revoke business licenses of commercial banks, financial institutions, pawnshops, leasing companies, money transfer service providers, and virtual asset service provider according to proposals from the Anti-Money Laundering Intelligence Office;
3. Exercise rights and perform other duties as prescribed by law.

## **Article 19 Rights and Duties of the Anti-Money Laundering Intelligence Office**

The Anti-Money Laundering Intelligence Office shall have following rights and duties:

1. Monitor, inspect, revise, issue warnings, and propose the suspension or revocation of business operations or business licenses for those who violate laws and regulations related to anti-money laundering and countering financing of terrorism, and counter proliferation financing, within its responsibility;
2. Collect data and statistics related to revisions, warnings, proposals for suspension or revocation of business operations or licenses for violators of laws and regulations concerning anti-money laundering and countering the financing of terrorism, and counter proliferation financing;
3. Summarize and report on the revisions, warnings, proposals for suspension or revocation of business operations or licenses for violators of laws and regulations related to anti-money laundering and countering the financing of terrorism, and counter proliferation financing to the National Coordination Committee for Anti-Money Laundering and countering the Financing of Terrorism regularly;
4. Exercise rights and perform other duties as prescribed by law.

## **Article 20 Rights and Duties of the Supervisory Agencies of Reporting Entities and Postal Enterprise**

The Supervisory agencies of reporting entities and postal enterprises have the right and duties for imposing fines and other measures as follows:

1. The Lao Security Commission Office: may fines, warn, suspend business operations, or revoke the business licenses of securities companies, fund management companies, and investment funds.
2. The Ministry of Finance: may fines, warn, suspend business operations, or revoke the business licenses of insurance companies, accounting firms, audit firms, and casinos.
3. The Ministry of Industry and Commerce: may fines, warn, suspend business operations, or revoke the business licenses of businesses involved in trading of precious metal.
4. The Ministry of Agriculture and Environment: may fines, warn, suspend business operations, or revoke the business licenses of businesses involved in real-estate trading.

5. The Ministry of Justice: may fines, warn, suspend business operations, or revoke the business licenses of law firms and remove individuals from the list of licensed lawyers.

6. The Ministry of Technology and Communications: may fines, warn, suspend business operations, or revoke the business licenses of postal service businesses.

The supervisory agencies of reporting entities and postal service businesses are required to collect statistical data, provide information and statistics related to fines, warnings, suspension of operations, or revocation of business licenses for those who violate laws and regulations related to anti-money laundering, counter-financing of terrorism, and proliferation of weapons of mass destruction, within their respective scopes of responsibility, to the National Committee for Anti-Money Laundering and Counter-Financing of Terrorism.

## **Chapter 5**

### **Payment, Allocation, and Utilization of Funds Obtained from Fines**

#### **Article 21 Payment of Fines**

Reporting entities that violate laws and regulations related to anti-money laundering, counter-financing of terrorism and the proliferation of weapons of mass destruction must pay fines to supervisory agencies responsible for the reporting entities through the commercial banking system and at service points designated by the state, within 10 working days from the date of enforcement notice is issued.

#### **Article 22 Distribution of Fines**

Thirty percent (30%) of money that collected from fines under this Decree shall be transferred to the State Budget, the remaining seventy percent (70%) shall be transferred to the anti-money laundering and counter-terrorism financing and the proliferation of weapons of mass destruction fund to be used specifically to related activities.

Details regarding the management of the Anti-Money Laundering and Counter-Terrorism Financing and the proliferation of weapons of mass destruction fund are stipulated in separate regulations.

#### **Article 23 Utilization of Funds Obtained from Fines**

Funds collected from fines shall be used for the following purposes:

1. Establish laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;
2. Disseminating and promoting awareness of laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;
3. Conducting training and capacity building for personnel involved in the work of anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

4. Monitoring, inspecting, and implementing work related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

5. Providing incentives to individuals with outstanding performance in enforcing laws and regulations related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

6. Procuring equipment and facilities to support the work related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction;

7. Other activities related to anti-money laundering, counter-financing of terrorism, and counter financing of the proliferation of weapons of mass destruction.

## **Chapter 7**

### **Final Provision**

#### **Article 24 Implementation**

The supervisory agencies of reporting entities are responsible for organizing and implementing this decree effectively and efficiently.

Ministries, organizations, local government authorities, and other relevant organization are to recognize and implement of his decree rigidly.

#### **Article 25 Effectiveness**

This Decree shall enter into force from the 4<sup>th</sup> November 2025 onward.

**Government of the Lao PDR**  
**The Prime Minister**

(Signature and Seal)

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