



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

President

No. 292/P  
Vientiane Capital, 15 December 2017

**Decree of the President  
of the  
Lao people's Democratic Republic**

**on the Promulgation regarding to the Law on Payment System**

- Pursuant to the Constitution of the Lao People's Democratic Republic (2015 Amendment) Chapter VI, article 67, paragraph 1;
- Pursuant to Resolution of the National Assembly No. 064/NA, dated 07 November 2017 adopting the Law on Payment System;
- Following the Request of the Standing Committee of the National Assembly No. 028/SC dated 04 December 2017,

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

**Article 1:** The Law on Payment System is hereby promulgated.

**Article 2:** This Decree is effective from its date of signature

**President of the Lao PDR**

Bounnhang Vorachith



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

National Assembly

No. 064/NA  
Vientiane Capital, 07/11/17

**Resolution of the National Assembly  
of the  
Lao People's Democratic Republic  
on the Approval the Law on Payment System**

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- Pursuant to the Constitution of the Lao People's Democratic Republic (2015 Amendment) Article 53 Point 1 and the Law on the National Assembly (2015 Amendment) Article 11 Point 1.

After extensive and in-depth discussion and consideration regarding the contents of the Law on Payment System during the 4<sup>th</sup> Ordinary Session of the Eighth Legislature on 7 November 2017 ,

**The National Assembly's Session has resolved:**

**Article 1:** To adopt the Law on Payment System by majority votes.

**Article 2:** This Resolution is effective from its date of signature

**President of the National Assembly**

Pany Yathotou



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

National Assembly

No: 32/NA  
Vientiane, date 7 November 2017

**Unofficial Translation**

**Law**  
**On Payment System**

**Part I**  
**General Provisions**

**Article 1 Objective**

This Law defines principles, regulations and measures on the supervision of payment system activities in order to ensure the accessibility, safety, transparency, modernization and effectiveness of such activities to maintain the financial and monetary stability and to ensure the promotion of trade, service, investment, financial inclusion and the ability of regional and international integration, contributing to the socio-economic development of the nation.

**Article 2 Payment Systems**

Payment system is the whole activity relating to payment service which comprised of the payment order, transfer and sending-receiving of money between the payer and payee by using payment instrument or through payment mechanism of the payment system operator and payment service provider.

**Article 3 Definitions**

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

1. **Debit card** means a card issued for an individual or legal entity that has money deposited with a commercial bank or micro-finance institution;
2. **Credit card** means a card issued for an individual or legal entity that has a line of credit with a commercial bank;
3. **QR code** (Quick Response Code) means a symbol or code certifying the identity for conducting electronic financial transaction;
4. **Automatic Teller Machine – ATM** means a machine that used for making deposit–withdrawal, check balance or Fund transfer by Automatically;
5. **Cash Deposit Machine - CDM** means a machine used for making cash deposit by Automatically;
6. **Point of Sale - POS** means an equipment to accept card in a shop or other service point which accepts debit and credit cards for making payment for goods and service;

7. **Share** means an equity of company by which shareholder is the owner of the company, gain the right and benefit according to its share portion;
8. **Corporate Bond** means company's borrowing, the holder of which is the creditor and will be repaid for the principal and interest as specified in the bond;
9. **Central Securities Depository** means an organization that accepts and manages security account, provides clearing service for security trading;
10. **Cheque Clearing House** means an organization that provides the service of accepting, delivering and clearing cheque;
11. **Bank Identify Number - BIN** means a series number located in the front of debit and credit cards;
12. **Prepaid Money** means an amount prepaid by a consumer to an electronic service provider.

**Article 4 State Policy on Payment System**

The State supports and promotes the payment system development to be sound, modern, convenient and safe by laying out coherent policy, developing infrastructure, providing human resource, fund, equipment as well as creating favorable condition for the payment system supervisor and other relevant authority as appropriate.

The State promotes individual, entity and organization to participate in the development, supervision and use of payment system in order to reduce the use of cash and to limit the use of foreign currencies.

**Article 5 Principles underlying the Payment System's Activity**

The payment system activity shall comply with the following principles:

1. Complying with direction, policy, strategy, law and national socio-economic development plan;
2. Ensuring the centralized and unified supervision nationwide;
3. Ensuring security, rapidity, precision and efficiency;
4. Maintaining equality, fairness, transparency and accountability;
5. Protecting right and legitimate interest of consumer.

**Article 6 Domain of enforcement**

This Law enforces to domestic and foreign individual, entity and organization that engaging in the Lao PDR's payment system activities in domestic and abroad.

**Article 7 International Cooperation**

The State promotes and cooperates with foreign country, regional and global on activity related to payment system by sharing information, experience and technology for human resource development, modernization of payment system and ability for integration with regional and global payment system.

**Part II  
Strategy for Payment System Development**

**Article 8 Strategy for Payment System Development**

The strategy for payment system development is the determination of fifteen-year vision, ten-year strategy and five-year projects development program in line with policy, vision and strategy for national socio-economic development.

To develop a modernized payment system and expand the use of non-cash payment instruments aiming to reduce the use of cash, promote financial inclusion and limit the use of foreign currencies in order to maintain the stability of national currency in line with the strategy for development of financial-monetary institution system of the Lao PDR and ensure harmonization of policy with other sector authority.

#### **Article 9 Content of Strategy for Payment System Development**

The strategy for payment system development has the following content:

1. to summarize and reconcile recent payment system development condition as well as to evaluate of the strength, weakness and lessons learned;
2. to determine general direction, target and key indicator for payment system development;
3. to determine the policies and regulations for the supervision and payment system development;
4. to develop each type of payment system and payment instrument in line with the strategy of financial-monetary institution development of Lao PDR and to ensure the ability of regional and global integration;
5. to create system of cybercrime prevention;
6. to build capacity of payment system supervisory authority by developing efficient and effective personnel, mechanism and supervisory approach;
7. to set up flexible coordination mechanism among authorities related to supervision, monitoring and inspection;
8. to define measurement, methods and evaluation model for implementation of payment system development periodically.

### **Part III Payment System**

#### **Chapter 1 Type of Payment System**

#### **Article 10 Type of Payment System**

The payment systems consist of three following types:

1. Real-time Gross Settlement;
2. Retail Payment System;
3. Securities Settlement System.

#### **Article 11 Real Time Gross Settlement**

The Real-time Gross Settlement is an electronic fund transfer system that provide money transfer services by real-time settlement on transaction-by-transaction basis upon the receipt of payment order.

The Real-time Gross Settlement is the only one system which is created, developed and supervised by the Bank of the Lao PDR according to regulation of the Bank of Lao PDR.

#### **Article 12 Retail Payment System**

The Retail Payment System is a fund payment system through payment instruments by clearing and settlement of several transactions at once per day or real-time settlement

of transactions on one-by-one basis such as cheque, card, security and e-money payment systems.

**Article 13 Security Settlement System**

The Security Settlement System is an electronic payment system in securities trading especially government bond, Bank of the Lao PDR's bond, share and corporate bond.

## **Chapter 2 Payment Instruments**

**Article 14 Payment Instruments**

The instruments used in the payment system are:

1. Cash;
2. Card;
3. Cheque;
4. Money transfer;
5. E-money;

In case needed, the Bank of the Lao PDR may also include other payment instruments. The issuing of card, fund transfer and e-money shall be permitted by the Bank of the Lao PDR.

**Article 15 Cash**

Cash is a payment instrument consists of note and coin used to pay for goods, service and other debt.

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

**Article 16 Card**

Card is a payment instrument which is consisted of debit card and credit card used to pay for goods, services and conduct financial transactions via card-accepting devices such as POS, ATM or CDM and Internet as provided by payment service providers.

Card payment may be made within the same or across payment networks of domestic and foreign providers.

Card issuance shall provide its number as well as identification number of issuing bank comply with requirements of the Bank of the Lao PDR and international principles.

Principles, scope of use, method and supervision of cards are in a specified regulation.

**Article 17 Cheque**

Cheque is a payment instrument used to pay for goods, service and other debt.

The main types of cheque include order cheque, bearer cheque, crossed cheque and traveler's cheque.

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

cheque may be issued by the Bank of the Lao PDR, Commercial Banks, National Treasury and Deposit-taking Micro-Financial institutions as licensed by the Bank of the Lao PDR and shall be member of the cheque clearing house.

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

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

**Article 18 Money Transfer**

Money transfer is a payment instrument used by a payer to transfer fund to a payee through an electronic system which is proceeded with fund transfer ordered by the payer or by the payee.

Money transfer may be made within a network or across through different network of payment service provider in the country and abroad.

Approach, operational procedures and management of Money transfer are provided in a specific regulation.

**Article 19 Electronic Money**

Electronic money is a payment instrument with a money value which stored in the magnetic band, subscriber identity module or program for which the user spend cash or deposit to buy the value of electronic money from payment services provider in order to pay for goods, service and other debt. The unit of electronic money shall be in Kip only.

Transferring, receiving and cancelling any payment instruction for goods and services with electronic money shall strictly comply with procedures and approach which are set by service provider.

Electronic money payment service provider may not use fund mobilized from users to provide credit by themselves, through another financial institution or to provide credit to their payment system operator.

The payment system operator and service provider of electronic money payment system shall implement with the operational and technological risk management regulations issued by the Bank of the Lao PDR.

Distribution of electronic money may be made directly by payment service providers or through its agent.

**Article 20 Validity of Payment through Payment Instruments**

Payment with cash and with non-cash instrument provided in Article 15, 16, 17, 18 and 19 of this Law shall have equal and lawful value.

Payment with non-cash instrument will be fully valid only if the money in the payer's account has been debited and credited to the payee's account.

**Chapter 3  
Payment Mechanism, Guarantee and Finality**

**Article 21 Payment Mechanism**

The payment mechanism is a payment process consisting of:

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

**Article 22 Payment order**

The payment order is the issuance to transfer money by a paper-based or electronic means such as telephone, computer, POS device, automatic teller machine.

**Article 23 Clearing**

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

The Clearing of transaction across different network shall follow the regulations issued by payment system operator as approved by the Bank of the Lao PDR.

**Article 24 Settlement**

Settlement is the process of debiting fund from the payer's account and crediting to the payee's account.

Settlement consists of two types as below:

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

**Article 25 Guarantee of Payment**

In order to prevent payment risk, the payment system operator may require payment service provider to guarantee the settlement with collateral.

The collateral includes saving account, sovereign bond, corporate bond, bank guarantee and other types of collateral which are lawful and as specified by the Bank of Lao PDR.

The pledged collateral may be withdrawn only after the completion of settlement.

**Article 26 Payment finality**

An electronically payment order which sent to the payment system may not be suspended, modified, cancelled, withdrawn or opposed in all cases.

In case of payment error or mistake, the payer may request the payment service provider to rectify the Payment finality after completion of payment process base on the law.

**Part IV  
Payment System Operator, Payment Service  
Provider and User**

**Chapter 1  
Payment System Operator**

**Article 27 Payment System Operator**

The payment system operator is the person who is in charge of the clearing and settlement in a payment system.

The Bank of Lao PDR is the payment system operator of Real-time Gross Settlement and the Settlement System operator for the trading of sovereign bond and Bank of Lao PDR's bond.

Commercial bank or legal entity is authorized by the Bank of Lao PDR is operator of Retail Payment System.

The central securities depository is the operator of securities settlement system such as share and corporate bond.



## **Article 28 Requirement for Payment System Operator**

Those who have a purpose to establish a legal entity in order for being a payment system operator shall comply with the Law on Investment Promotion and Law on Enterprises.

Those who have a purpose to a payment system operator shall meet the following requirement:

1. Being legal entity;
2. Having sound financial position and capital as required by the Bank of Lao PDR;
3. Having an feasibility study report;
4. Having modern and safe technical systems;
5. Having managers with qualification and experiences in banking-finance, information technology or other relevant fields and without any history of criminal punishment for intentional offences such as financial crimes, money laundering;
6. Having comprehensive internal operation system, auditing and controlling systems in compliance with regulations of the Bank of Lao PDR;
7. Having proper location;
8. Having skilled staff in information technology;
9. Having regulation on the use of payment system;
10. Having mechanism for preventing operational risk and technical error as well as contingency plan;
11. Other condition as required by the Bank of Lao PDR

Foreign payment system operator who wishes to provide payment service in the Lao PDR shall cooperate with host payment service providers located in the Lao PDR in compliance with requirement set by the Bank of Lao PDR.

## **Article 29 Rights and duties of Payment System Operator**

Rights and duties of payment system operator are:

1. To provide rule on the operation and management over its payment system;
2. To control and monitor its payment system;
3. To hire the third party to assist for operating the payment system based on approval and regulations of the Bank of the Lao PDR;
4. To comply with payment system's prudential regulation set by the Bank of the Lao PDR;
5. To define and notice its service fee, service terms and to disclose information by making specific manual and disseminate to its client;
6. To store all information related to transaction;
7. To be responsible for and indemnify any damages caused by its fault;
8. To follow the accounting system in line with relevant law;
9. To settle disputes related to their payment system;
10. To follow the reporting system and provide information requested by the Bank of Lao PDR;
11. To exercise other right and perform other duty as provided in law.

Payment system operator needs to connect its system with any payment system operator abroad in order for cross-border payment service shall comply with requirements provided by the Bank of Lao PDR.

## **Chapter 2**

### **Payment Service Provider**

#### **Article 30 Payment Service Provider**

The payment service provider is any of these such as: the Bank of Lao PDR, commercial banks or other legal entity authorized by the Bank of Lao PDR to directly provide payment service to its users with its own payment system or being connected with the other payment system operator.

The Bank of Lao PDR is the sole provider of Real-time Gross Settlement.

Commercial banks, other legal entities including micro-finance institution, central security depository and securities companies are providers of Retail Payment System or security transaction.

#### **Article 31 Condition for Payment Service Provider**

Person wishing to establish legal entity to be a payment service provider shall comply with the Law on Investment Promotion and Law on Enterprises.

Person wishing to be a payment service provider shall comply with conditions set out in Article 28 paragraph 2 and shall have a system to protect asset that received from client or through other payment service provider.

In case payment service provider wishes to issue new payment instrument, it shall apply for an authorization from the Bank of Lao PDR.

Payment service provider wishing to connect their system with the one of an overseas payment system operator in order to introducing payment instrument in the Lao PDR shall comply with requirement set by the Bank of Lao PDR.

#### **Article 32 Rights and duties of Payment Service Provider**

Rights and duties of Payment service provider are:

1. To set up rules on the operation of its payment service;
2. To provide payment service through payment instruments authorized;
3. To use an agent for providing payment services as specified by the Bank of Lao PDR;
4. To comply with payment prudential regulation set by the Bank of Lao PDR;
5. To define and notice its service fee, service term and to disclose information by making specific manual and disseminate to its client;
6. To keep on all information related to transaction;
7. To be responsible for and indemnify any damage caused by its fault;
8. To follow the accounting system in line with relevant law;
9. To settle disputes related to its payment service;
10. To follow the reporting system and provide information requested by the Bank of Lao PDR;
11. To exercise other rights and duties as set in law.

## **Chapter 3**

### **Users**

#### **Article 33 Users**

Users are individual, legal entity and organization within the country and abroad who conduct transaction through payment service provider.

The Bank of the Lao PDR, Ministry of Finance, commercial bank and central securities depository are users of Real-Time Gross Settlement System. For financial institution or organization which plays important role in the monetary-financial sector shall be authorized from the Bank of the Lao PDR.

Commercial bank, financial institution, individual, legal entity and organization within the country and abroad are users of Retail Payment System service.

Investors of individual and institutional within the country and abroad are users of Securities Settlement System service.

**Article 34 Rights and duties of user**

Rights and duties of user are:

1. To get necessary information from payment service provider;
2. To ascertain information regarding to payment instrument, mechanism, payment system operator and payment service provider;
3. To receive information on transaction activity from payment service provider;
4. To use payment instrument in compliance with requirement set by payment service provider;
5. To cooperate with the inspection of the Bank of the Lao PDR, payment system operator and payment service provider;
6. To claim for compensation from any loss caused by any error from using payment system;
7. To request payment service provider, payment system operator, Bank of the Lao PDR, Office of Economic Dispute Resolution or People's Court to settle any disputes;
8. To exercise other rights and duties set in law.

**Article 35 User Protection**

User shall receive quality and transparent service from payment service provider, and shall be equally with service provider treated in law, able to provide feedback related to payment service providers related to its service, or able to complain to competent authorities, and receive legal protection.

## **Part V**

### **License for Payment System Operator and Payment Service Provider**

**Article 36 Application for License**

Legal entity wishing to be a payment system operator and/or payment service provider shall apply for payment system business license to the Bank of Lao PDR.

**Article 37 Consideration of Application**

The Bank of the Lao PDR shall consider the application for a payment system operator and/or payment service provider within thirty days from the receipt of accurate and complete application.

**Article 38 Use of License**

Payment system operator and/or payment service provider shall use its license in compliance with the scope of license and may not assign, transfer or give its license to other person to use.

The license has a term of use as defined by the Bank of the Lao PDR and may be extended, suspended or withdrawn in case of violation against law.

## **Part VI Prohibition**

### **Article 39      General Prohibitions**

Individual, legal entity and organization are prohibited from the following acts:

1. Issuing any kind of payment instrument without a license;
2. Providing any type of payment service without a license;
3. Making false reference or misleading advertisement causing damages to payment system, user and society;
4. Other acts that violate the law.

### **Article 40      Prohibition for Payment System Operator**

Payment system operator is prohibited from the following acts:

1. Disclosing information of clients who conduct transactions with its payment system without permission;
2. Operating a payment system without license;
3. Holding, delaying or concealing information regarding to payment;
4. Distorting, forging document or information transaction and payment system;
5. Providing incomplete, false information, late report or non-report;
6. Non-cooperating with the inspection of the Bank of the Lao PDR and the State authority;
7. Providing disorder to the systems of the Real-time Gross Settlement System, Retail Payment System, Securities Settlement and/or causing any damage to the operation of payment system;
8. Other acts that violate the law.

### **Article 41      Prohibitions for Payment Service Provider**

Payment services provider is prohibited from the following acts:

1. Issuing the payment instrument without license;
2. Providing payment services that exceeds the licensed scope;
3. Providing payment service that is different from the disclosed information or advertisement;
4. Disclosing confidential information of individual, entity and organization to others without permission;
5. Holding, delaying or concealing information regarding to payment;
6. Distorting, forging document or information regarding to payment;
7. Non-cooperating in the inspection of the Bank of the Lao PDR, payment system operator and State authority;
8. Providing incomplete, false information as well as late report or non-report;
9. Disorder systems of Real-time settlement, Retail Payment System, Securities Settlement and/or causing any damage to the operation of payment system;
10. Other acts that violate the law.

### **Article 42      Prohibitions against the User**

User is prohibited from the following behaviors:

1. Using the Payment System to do the activity to against the law;

2. Disordering the system of RTGS, Retail Payment System, Securities Settlement System and/or ACH, SS and/or cause any damage to the operation of the Payment System;
3. Malignant to the Payment Service Provider and/or the Payment System Operator;
4. Non-cooperating in the inspection of the Bank of the Lao PDR, the Payment System Operator or State authority;
5. Other acts that violate the law.

**Article 43 Prohibitions for Payment System’s supervision Officer**

Officers of the Payment System’s supervision authority are prohibited from the following behaviors:

1. Disclosing confidential information on the Payment System operation without permission;
2. Abusing their position for his/her benefit or others’;
3. Holding, delaying or concealing information or document about the payment system to benefit himself/herself or other;
4. Ask for, request, accept bribes or other return;
5. Other act that violate the law and regulation.

## **Part VII Dispute Resolution**

**Article 44 Form of Dispute Resolution**

Dispute resolution on the National Payment System can be exercised by any of the following forms:

1. Compromise;
2. Administrative resolution;
3. Resolution by Economic Arbitration Agency;
4. Resolution by people’s court; and
5. International dispute resolution.

**Article 45 Compromise Resolution**

In case there is dispute on the operation of Payment System, the contentious can be discussed and compromised with each other to save interest.

**Article 46 Administrative Resolution**

In case that there are dispute over the operation of Payment System related to the managerial aspect, the party can request to payment system operator, payment service provider and The Bank of the Lao PDR to settle the dispute in administrative manner.

**Article 47 Resolution by Economic Arbitration Agency**

In case that there are disputes over the operation of Payment System, the litigant is entitled to request the Economic Arbitration Agency to settle the disputes in accordance with the law and regulation.

**Article 48 Resolution by Raising a Compliance to People’s Court**

In case that there is dispute over the operation of Payment System, the litigant is entitled to sue to the People’s Court for proceeding the dispute in accordance with the law and regulation.

**Article 49 International Dispute Resolution**

In case that there is dispute over the operation of Payment System related to the international aspect, the dispute shall be settled based on the law of Lao PDR or international agreement or convention which the Lao PDR is bound.

**Part VIII**  
**Supervision and Inspection of Payment**  
**System’s activity**

**Chapter 1**  
**Supervision of Payment System’s Activity**

**Article 50 Supervision Organization of Payment System’s Activity**

The government of the Lao PDR centrally and unanimously supervise the Payment System across the country by assigning the Bank of the Lao PDR to take direct responsible for and be the central agency to cooperate with the relevant authority.

**Article 51 Rights and Duties of the Bank of the Lao PDR**

Rights and duties for supervision the Payment System of the Bank of the Lao PDR are:

1. To draft policies, strategies and laws relevant to Payment System’s activity in order to propose to the government for consideration;
2. To implement strategy, policy and law about the Payment System’s activity as a plan, program and project and regulation for implementation;
3. To disseminate and publish law and regulation in relevance to the Payment System;
4. To issue, renew, suspend or withdraw the licenses for Payment Service Provider and/or Payment System Operator;
5. To approve an issuance of new payment instrument as well as suspend or terminate the use of inappropriate payment instrument;
6. To define condition, standard on operation and technology about the payment, clearing and settlement;
7. To define fee for payment system operator and payment service provider
8. To draft policy, principle and regulation on international payment;
9. To supervise the activity of the Payment System Operator and Payment Service Provider;
10. To build capacity, train and upgrade the staff to be able to manage the payment issue;
11. To coordinate with relevant internal and external sectors to identify direction and the implementation plan as well as to monitor the inspection activity of the payment systems in an effective manner;
12. To summarize and report the activity of the payment system and submit to the government in a regular basis;

13. To exercise other rights and duties provided in law.

## **Chapter 2**

### **Inspection of Payment System's activity**

#### **Article 52      Inspection Bodies of the Payment System**

Inspection bodies of the payment system are:

1. An internal inspection agency as the identical organisation as the management body of the payment system as indicated in the Article 50 of this Law;
2. An external inspection body includes the National Assembly, People's Provincial Assembly, Government Inspection Authority, State Audit Organisation, Lao Front Construction and Mass Organisations.

#### **Article 53      Technical Inspection**

The Bank of the Lao PDR and/or its branches is as the inspector, operator and service provider of the payment system.

Content of technical inspection are:

1. Implementing the relevant law and regulation relate to the payment system operator and/or service provider;
2. Monitoring, service, application of the payment system and payment instrument;
3. Internal charter concerning to payment service such as fee and other charge of the payment system operator and payment service provider;
4. Providing address, equipment, machine, accounting record or other document with regard to accounting or the transaction of payment system operator and service provider;
5. Hire contract on supplying and out-sourcing;
6. Monitoring the implementation of the guideline on the payment system.

#### **Article 54      Forms of Inspection**

There are three forms of inspection as below:

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

#### **Article 55      cross-border Inspection**

The Bank of the Lao PDR cooperates with relevant authority of host country to conduct inspection:

1. Subsidiary, branch and representative office of Lao's the payment system operator and payment service provider operating abroad;
2. Foreign affiliate company which has subsidiary, branch and representative office operating payment business to Lao PDR.

## **Part IX**

### **Reward Policy and Measurement**

**Article 56    Policy toward person with outstanding achievement**

Individual, legal entity and organization that have strictly complied with and contributed to the successful implementation of this law shall be entitled to receive award and other benefit in accordance with regulation.

**Article 57    Measures against violator**

Person, entity or organization that violate the law and regulation related to the Payment System's activity including the prohibition that defined in this law shall be subjected to being reeducated, warned, fined, temporarily suspended, withdrawn the license of Payment Service Provider and Payment System Operator as well as having civil damage compensation or criminal penalty depending on the severity of the case.

## **Part X**

### **Final Provision**

**Article 58    Implementation**

The Government of the Lao People's Democratic Republic implements the law.

**Article 59    Effectiveness**

The law shall be effective after the decree is issued by the President of the Lao PDR, and fifteen days after it has been disseminated on official gazette.

Any previous regulations and provisions which contradict the law shall be deemed null and void.

**President of the National Assembly**

**Pany Yathotou**