



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

No. 10/LSC  
Vientiane Capital, dated: 22 Jul 2022

**Decision**  
**On Approval of Asset Valuation Companies (Amended)**

- Pursuant to the Law on Securities (Amended) No. 79/NA, dated 03 December 2019;
- Pursuant to the Decree on Organization and Operation of the Lao Securities Commission (Amended), No. 291/PM, dated 05 April 2021;
- Pursuant to the Proposal of the Lao Securities Commission Office, No. 146/LSCO, dated 27 May 2021.

**The Chairman of the Lao Securities Commission regulates that:**

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

**Article 1 Objectives**

This Decision prescribes the principles, rules and measures for operation on asset valuation companies in securities areas in domestic or overseas to facilitate and reference to the provision of asset valuation services relating to securities activities in order to ensure the orderly, transparent and fair business operations.

**Article 2 (New) An Approval of Asset Valuation Companies**

An approval of asset valuation companies is authorized from the Lao Securities Commission Office for asset valuation companies from domestic or foreign countries to be active in provide asset valuation services relating to securities activities in Lao PDR according to the conditions and scope of service as prescribed by the Lao Securities Commission Office.

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<sup>1</sup> Although every effort has been made to convey the meaning and effect of each provision of the original Lao language version as accurately as possible, this English translation does not carry any legal authority. Only the original Lao text has legal force; this English translation is strictly for reference.

### Article 3 (Amended) Definitions

Terms used in this Decision have the meanings as specified below:

1. **Asset valuation** means an opinion on the value of the property by asset valuation professional;
2. **Asset valuation professional** means an individuals with knowledge, skills and experience in property valuation who meet the criteria as determined by the Asset valuation association from domestic or foreign or related parties that authorized on asset valuation professional;
3. **Domestic asset valuation company** means a company providing asset valuation services that is established and operated in compliance with relevant laws and regulations of the Lao PDR;
4. **Foreign asset valuation company** means a company providing asset valuation services that is established and operated in accordance with relevant laws and regulations of foreign jurisdiction;
5. **Targeted group** means potential issuers, issuers, listed companies, securities intermediaries, Lao stock exchange, mutual funds and other targets relating to securities activities that use asset valuation company services as prescribed by the Lao Securities Commission Office;
6. **Asset** means land, property, machine, equipment, lease contract, concession contract, patent or intellectual property and other assets that can be valued in compliance with applicable valuation standards;
7. **Property** means tower, building, factory, plant, dam, infrastructure and other properties;
8. **Equipment** means inventions utilized in facilitating on manufacturing processes and business operations;
9. **Market value** means the transaction price of the commodity that occurred in the real market, occurred in the past immediately when the trading transaction, occurred in the same asset between the buyer and the seller of the asset in that situation, which could be equal, more or less;
10. **Patent** means an exclusive right granted by the government authority to protect new invention with having a creative process and can be used in the industrial manufacturing;
11. **Intellectual property** means the results of human intelligence in designing and producing a property.
12. **Related parties** means members of the board of directors, directors, branches and departments of domestic or foreign asset valuation company;

### Article 4 (New) Principles

A asset valuation companies shall operate as following principles:

1. Protect the rights and interests of investors;
2. Ensure equality, transparency, fairness;

3. Ensure management, monitoring and inspection;
4. In compliance with the value to the market mechanism.

**Article 5 Scope of Application**

This Decision shall be applied to domestic or foreign asset valuation companies, asset valuation professional, targeted group and other parties involved in providing asset valuation services relating to securities activities in Lao PDR.

**Chapter 2**

**Approval of Asset Valuation Companies and Asset Valuation Professionals**

**Article 6 The Application for Asset Valuation Company Approval**

The asset valuation company wishing to provide asset valuation service to a targeted group shall satisfy the conditions as prescribed in Article 7 and shall submit its an application and supporting documents to the Lao Securities Commission Office for considering the approval in accordance with Article 8 of this Decision.

**Article 7 (Amended) Conditions for the Asset Valuation Company Approval**

The asset valuation company wishing to provide asset valuation service relating to securities activities shall satisfy the conditions as prescribed in Article 78 of Law on Securities (Amended) and shall satisfy the following conditions:

1. Having a minimum registered capital of five hundred million Kip (500,000,000 Kip);
2. Identifying the name of the company must contain the word “asset valuation”;
3. Having directors with diplomas in property valuation, accounting, finance or other related fields;
4. Being a domestic asset valuation company or a foreign asset valuation company in the list of asset valuation companies approved by a jurisdiction which is a member of the International Organisation of Securities Commissions (IOSCO) or being in the list of asset valuation companies approved by a foreign securities supervisory authority which has signed the MOU with the securities supervisory authority of the Lao PDR;
5. Having a good reputation and experience in conducting asset valuation services;
6. Having a secure intenal contral system;
7. Having at least two asset valuation professionals with an asset valuation practitioner certificate or a certificate of registration of asset valuation professional issued by a domestic or foreign securities supervisory authority and relevant asset valuation business association;
8. Having sound financial status or operating a business with a profit in the latest financial year prior to submission of application documents for approval to the Lao Securities Commission Office, except for a newly established asset valuation company;
9. Other conditions as prescribed by the Lao Seurities Commission office.

**Article 8 (Amended) Application Documents for Asset Valuation Company Approval**

The asset valuation company wishing to provide asset valuation services in securities activities shall satisfy the conditions as prescribed in Article 79 of Law on Securities (Amended) and submitted the following additional documents:

1. The name list, brief biography and penalty notice not exceeding 3 months of the executive directors;
2. The name list and brief biography of asset valuation professionals;
3. Business operation report and financial statements of operating a business with a profit in the latest financial year prior to submission of application documents for approval to the Lao Securities Commission Office, except for a newly established asset valuation company;
4. The annual business operating plan in the Lao PDR after obtaining the approval certificate;
5. Other conditions as prescribed by the Lao Securities Commission Office.

**Article 9 (Amended) Consideration of Application for Asset Valuation Company Approval**

The Lao Securities Commission Office shall consider the application document for asset valuation company approval within 30 days from the date of receiving complete and accurate application documents. In case of rejection, the Lao Securities Commission Office shall provide a response in writing together with reasons of rejection.

At the time of consideration for approval, if it is deemed necessary, the Lao Securities Commission Office has the right to request additional documents and information or to invite an informant for clarification.

After receiving the certificate from the Lao Securities Commission Office, it must be announced to the public through the media within 5 working days from the date of receiving the certificate.

**Article 10 (Amended) Conditions for Asset Valuation Professional Approval**

An approval for an asset valuation professional shall satisfy the following conditions:

1. Having a asset valuation practitioner certificate from the Asset Valuation Association from domestic or foreign;
2. Not being prosecuted or in the process of being prosecuted for fraud, embezzlement or financial crimes and unfair securities trading behavior;
3. For Lao people who have completed the field of asset valuation without having a certificate of professional asset valuation, they must have at least 3 years of experience in asset valuation, pass both theoretical and practical tests, and must pass the consideration of the Lao Securities Commission Office;
4. Other conditions as prescribed by the Lao Securities Commission Office.

**Article 11 (Amended) Application for Asset Valuation Professional Approval**

Application documents for an asset valuation professional approval comprise the following documents:

1. The application form pursuant by the Lao Securities Commission Office;
2. The brief biography form of asset valuation professional(s) wishing to obtain an approval and renew the approval of an asset valuation professional pursuant by the Lao Securities Commission Office;
3. A copy of an asset valuation practitioner certificate granted by a domestic or foreign securities supervisory authority or by the relevant asset valuation business association (except for asset valuer who hold Lao citizens, which have completed the asset valuation field but do not have an asset valuation practitioner certificate, they must have a certificate of experience in asset valuation for at least 3 years from asset valuation company);
4. A Penalty notice certificate not to exceed 3 months from the date of submission of the application and accompanying documents to the Lao Securities Commission Office;
5. A certificate of current address;
6. A copy of identify card or passport that has not expired;
7. The photos not to exceed 3 months, size 3 x 4, number of 3 photos;
8. Other documents as prescribed by the Lao Securities Commission Office.

**Article 12 (Amended) Consideration of Asset Valuation Professional Approval**

The Lao Securities Commission Office shall consider the application documents for asset valuation professional approval within 30 days from the date of receiving completed and accurate application documents. In case of rejection, the Lao Securities Commission Office shall provide a response in writing together with reasons of rejection.

At the time of consideration for approval, if it is deemed necessary, the Lao Securities Commission has the right to request for the additional documents and information or to invite the informant for clarification.

**Article 13 (Amended) Service Fees**

An asset valuation company and asset valuation professional shall pay for any fees relating to the approval by the Lao Securities Commission Office as follows:

1. Fee for an application submission as an asset valuation company in the amount of 5,000,000 Kip and asset valuation professional with the amount of 1,000,000 Kip per person and must be paid within the date of submitting the application to the Lao Securities Commission Office;
2. Fee for the certificate granted of approval for an asset valuation company in the amount of 15,000,000 Kip and the certificate granted for an asset valuation professional in the amount of 2,000,000 Kip per person and such fees shall be paid on the date of obtaining the relevant certificate of approval;
3. Fee for the renewal of certificate for an asset valuation company in the amount of 10,000,000 Kip and the renewal of certificate for an asset valuation professional in the amount of

2,000,000 Kip per person and such fees shall be paid on the date of obtaining the renewal of the relevant certificate of approval;

4. An annual supervision fee for an asset valuation company in the amount of 5,000,000 Kip and an annual fee for an asset valuation professional in the amount of 1,000,000 Kip per person and such fees shall be paid within the first quarter of the following year;

In the event that an asset valuation company does not sign any agreement to provide asset valuation services to a targeted group within a particular year, such a company and an asset valuation professional shall not be subject to the payment of an annual supervision fee for that particular year.

### **Chapter 3**

#### **Scope of Service, Approval Period and Renewal of Certificate for Asset Valuation Company**

##### **Article 14 (Amended) Scope of Provision of Asset Valuation Services**

An approved asset valuation company may provide asset valuation services to targeted group within the following scopes:

1. Valuation of land;
2. Valuation of property;
3. Valuation of machine;
4. Valuation of equipment;
5. Valuation of lease contract;
6. Valuation of concession contract;
7. Valuation of patent or intellectual property;
8. Other valuation as determined by the Lao Securities Commission Office.

The valuation of a targeted group's assets shall be consistent with market value and shall apply asset valuation principles that are consistent with the Lao Accounting System or International Financial Reporting Standards (IFRS);

##### **Article 15 (Amended) Approval Period for Asset Valuation Company and Asset Valuation Professional**

The approval for an asset valuation company shall be expired in a three year period as from the date of obtaining the approval and the approval for an asset valuation professional shall be expired in a two year period as from the date of obtaining the approval.

##### **Article 16 (Amended) Renewal of Asset Valuation Company and Asset Valuation Professional Approval**

An asset valuation company and an asset valuation professional wishing to renew the approval for the purpose of continuing its provision of asset valuation services shall satisfy the conditions as prescribed in Article 7 and Article 10 and shall submit application documents as prescribed in Article 8 and Article 11 of this Decision to the Lao Securities Commission Office in at least forty-five days prior before the expiry of approval period.

For asset valuation professional wishing to renew the approval, apart from having the conditions as prescribed in Article 10 of this Regulation, they must attend the annual training on asset valuation and provide the certificate of participation in such trainings to the Lao Securities Commission Office.

#### **Chapter 4** **Rights and Duties, and Report of Asset Valuation Company**

##### **Article 17 (Amended) Rights and Duties of Asset Valuation Company**

An asset valuation company shall have the following rights and duties as prescribed in Article 82 of Law on Securities (Amended) and comply with the additional rights and duties as follows:

1. To research and draft the regulations or manuals as a basis for the implementation of the company's works;
2. To keep and maintain confidential information and documents of a target group for the period of provision of valuation services and the period of 10 years following the completion of such services;
3. To exercise rights and perform duties as stipulated in the agreement with a target group;
4. To pay fees as prescribed in Article 13 of this Decision and to pay tax and other fees relating to its services as prescribed in the applicable laws and regulations;
5. To exercise other rights and perform other duties as prescribed by the Lao Securities Commission Office in each period.

##### **Article 18 Report on Asset Valuation**

An asset valuation company shall report its operation to the Lao Securities Commission Office as follows:

1. To report on business operation in the Lao PDR on a quarterly basis within fifteen days as from the end of each quarter;
2. To report on business operation in the Lao PDR on an annual basis within ninety days as from the end of each financial year;
3. The asset evaluation report in any case of providing the asset valuation services to a target group within ten days as from the date of the service completion;
4. The implementation plan for provision of asset valuation services with a target group;
5. To report on changes of directors and asset valuation professional(s), e.g. name and surname, and their brief biography within fifteen days as from the date of changes.

An asset valuation company shall provide the reports with contents as stipulated by the Lao Securities Commission Office in each period.

## **Chapter 5**

### **Suspension, Revocation Approval of Asset Valuation Company and Asset Valuation Professional and Prohibitions**

#### **Article 19 (New) Suspension of Approval Certification of Asset Valuation Company and Asset Valuation Professional**

An asset valuation company will be suspended approval certification of services as asset valuation as prescribed in Article 83 of Law on Securities (Amended). In additional approval certification will be suspended in any or all of the following cases:

1. Absence of any criteria for certification as an asset valuation company and asset valuation professional as prescribed in Article 7 and Article 10 of this Decision;
2. Failure reporting asset valuation service to the Lao Securities Commission Office as prescribed in Article 18 of this Decision;
3. Failure to comply with the service contract signed with customers;
4. Violating the prohibitions as prescribed in Article 21 of this Decision;
5. Other suspension cases as prescribed by the Lao Securities Commission Office.

After being suspended for asset evaluation services, it must be addressed on the issue matters within the timeframe notified by the Lao Securities Commission Office.

#### **Article 20 (Amended) Revocation of Approval Certification as Asset Valuation Company and Asset Valuation Professional**

An asset valuation company will be revoked the approval certification of services as asset valuation as prescribed in Article 84 of Law on Securities (Amended). In additional approval certification will be revoked in any or all of the following cases:

1. The asset valuation company is dissolved or bankruptcy as stipulated in the relevant law;
2. The asset valuation company was revoked from the relevant parties;
3. Have been educated or warned in writing but continue to violate;
4. Other revocation cases as prescribed by the Lao Securities Commission Office.

#### **Article 21 (New) Prohibitions**

An asset valuation company, executive director and asset valuation professional have restrictions as prescribed in Article 175 of Law on Securities (Amended). In addition, there are additional prohibitions as following:

1. Provide asset valuation services relating to securities activities to a target group during the period when the company is sued or the asset valuation professional is criminally charged with fraud, embezzlement, accepting or giving bribed, corruption or money laundering and commit a crime related to securities transactions or commit financial crimes and practices in unfair securities trading;
2. Failure to report, incorrect reporting or late to reporting as prescribed in Article 18 of this Decision;
3. Failure to comply with the service contract signed with customers;



4. There are other behaviors that violate applicable laws and regulations;
5. Other prohibitions as determined by the Lao Securities Commission Office.

## **Chapter 6**

### **Policy towards Outstanding Performers and Measures against Violators**

#### **Article 22 (New) Policy towards Outstanding Performers**

An asset valuation company from domestic or overseas, asset valuation professional, target group and other parties involved in the provision of asset valuation services relating to securities activities in the Lao PDR with excellent performance in the implementation of this Decision will receive praise for the appropriateness or other policies as prescribed in the specific regulations.

#### **Article 23 (Amended) Measures against Violators**

An asset valuation company from domestic or overseas, asset valuation professional, target group and other parties involved in the provision of asset valuation services relating to securities activities in the Lao PDR, which violate this Decision will be taken the following measures:

1. Measures to educate or warning;
2. Penalty measures;
3. Additional measures.

#### **Article 24 (New) Measures to Educate or Warning**

Measures to educate and warn are in the event of any of the following behaviors or violations:

1. This is the first violation of a minor nature, such as submitting an application for renewal of the certificate of service asset valuation company and asset valuation professional before the date the certificate expires less than 45 days, delayed asset valuation report, failure to cooperate with the Lao Securities Commission Office and other related parties, failure to provide information and documents as requested by the Lao Securities Commission or other relevant parties and in case of other violations that cause damage not exceeding 1.000.000 Kip;
2. Violations are not prosecuted or reported by the victim and the parties can agree or resolve them together;
3. Behave in accordance with this Decision but not in violation of the prohibitions prescribed in Article 21 of this Decision;
4. Other cases as determined by the Lao Securities Commission Office.

### **Article 25 (New) Penalty Measures**

Penalty measures in case of behavior or violation in the following:

1. This is the first violation of a severe nature, the violation of which caused more than 1.000.000 Kip in damages or the implementation of educational measures or warnings, but the second violation will be fined twice the value of damages caused by the violation;
2. Provide asset valuation services relating to securities activities to a target group during the period when the company is sued or the asset valuation professional is criminally charged with fraud, embezzlement, accepting or giving bribed, corruption or money laundering and commit a crime related to securities transactions or commit financial crimes and practices in unfair securities trading will be fined 30.000.000 Kip to 50.000.000 Kip. For the asset valuation professional will be fined 10.000.000 Kip to 30.000.000 Kip;
3. Failure to keep documents and confidential information of services relating to securities activities to a target group of the asset valuation company during the period of service and after the completion of such services for 10 years will be fined 10.000.000 Kip to 50.000.000 Kip;
4. Failure to report, incorrect report or late report on asset valuation services for business operation in the Lao PDR to the Lao Securities Commission Office later than the time limit as prescribed in Article 18 of this Decision will be fined 1.000.000 Kip to 5.000.000 Kip per time;
5. Failure to report, incorrect report or late report on asset valuation services relating to securities activities to a target group in the Lao PDR to the Lao Securities Commission Office will be fined 5.000.000 Kip to 10.000.000 Kip;
6. Failure to comply with the contract agreement with the customer will be fined twice of the value of the damage caused by breach of contract.

### **Article 26 (New) Additional Measures**

An additional measures for asset valuation company and asset valuation professional as following:

1. Correct their violations correctly according to the relevant laws and regulations;
2. Suspension of asset valuation services and asset valuation professional certificates;
3. Revocation of approval certification as asset valuation company and asset valuation professional;
4. Disclosing the violation of the prohibitions as defined in this Decision, posted on the website of the Lao Securities Commission Office and Stock Exchange after the Lao Securities Commission Office has issued a fine agreement.

The measurement of a target group in securities activities in case of using the asset evaluation services from the asset evaluation company or asset evaluation professionals that have not approved to provide the asset evaluation services from the Lao Securities Commission Office, will be fined from 50,000,000 Kip to 100,000,00 Kip.

**Chapter 7**  
**Final Provisions**

**Article 27 Implementation**

The Lao Securities Commission Office, asset valuation company from domestic or overseas, asset valuation professional, target group and other related parties related to asset valuation services in securities activities in the Lao PD, shall strictly acknowledge and implement this Decision in accordance with its scope of rights and duties.

**Article 28 (Amended) Effectiveness**

This Decision shall be entered into force as from the date of signature.

This Decision replaces the Regulation on Asset Evaluation Company Approval no. 003/LSC, dated 8 December 2015.

**Chairman of the Lao Securities Commission**

(Seal and Signature)

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