



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

National Assembly

No.025/NA

RESOLUTION
of the
NATIONAL ASSEMBLY
of the
Lao People's Democratic Republic

On the Adoption of the Accounting Law (Amended)

Pursuant to Article 53, Point 2 of the Constitution and Article 3, Point 1 of the Law on the National Assembly of the Lao People's Democratic Republic, related to the rights and functions of the National Assembly;

Following the wide and in-depth discussion by the 6th Ordinary Session of the National Assembly (VII Legislature) regarding the contents of Accounting Law (Amended) in the afternoon session on 26 December 2013.

**The Session
Decides That:**

Article 1. The Accounting Law (Amended) is adopted at qualified vote.

Article 2. This Resolution shall enter into force on the date of signing.

Vientiane Capital, Date: 26 December 2013

The President of the National Assembly

[seal of the President of the National Assembly]
[Signature of the President of the National Assembly]

Pany Yathortou



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

President's Office

No.063/PO
Vientiane Capital, Date: 28 January 2014

DECREE
of the
PRESIDENT
of the

Lao People's Democratic Republic
On the Promulgation of the Accounting Law (Amended)

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- Pursuant to Chapter VI, Article 67, Point 1 of the Constitution of the Lao People's Democratic Republic;
 - Pursuant to Resolution No. 025/NA, dated 26 December 2013, of the National Assembly of the Lao People's Democratic Republic;
 - Pursuant to Proposal No. 015/SCNA, dated 23 January 2014, of the Standing Committee of the National Assembly.

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

Article 1. The Accounting Law (Amended) is hereby promulgated.

Article 2. This Decree shall enter into force on the date of signing.

The President of the Lao People's Democratic Republic

[seal of the President of the National Assembly]
[Signature of the President of the National Assembly]

Choummaly SAYASONE



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

The National Assembly

Ref. No.47/NA

Vientiane Capital, Date: 26 December 2013

Unofficial Translation

Law on Accounting (Amended)

Part I General Provisions

Article 1 (Amended). Objectives

The Accounting Law determines the accounting principles, rules and measures to be used by implementing accounting entities for the purpose of strengthening accounting activities to be transparent as tools for the financial management of State budget entities and enterprises, and for monitoring them in order to raise the efficiency of the State budget and enterprise management as well as contributing to the sustainable socio-economic development of the nation.

Article 2 (Amended). Accounting

Accounting is the collection [identification], recording, classification and summarization of financial transactions for preparing financial statements of implementing accounting entities and providing meaningful financial information to concerned parties for decision making. It is also the principal tool for the Government and enterprises to carry out financial analysis as well as to identify information that is significant for management, monitoring and inspection purposes, as well as a reference for determining, amending and developing policies to be in accordance with the to be in accordance with the current operating environment.

Accounting in the Lao PDR comprises Government Accounting and Enterprise Accounting.

Article 3 (New). Definitions

The terms used in this law shall have the following meaning:

1. **Contractual Commitment Control** means the system of approving payments of contracts and purchase orders on the basis of the available budget after deducting payable debts and pending commitments;
2. **Electronic Accounting** means the use of online and internet technologies in the accounting work of the implementing accounting entities;

3. **Budgetary Accounting** means the recording of the actual State budget in order to be able to monitor the execution of the planned budget in accordance with the State Budget Law;
4. **Code of Ethics for Professional Accountants** means the fundamental ethical principles governing the conduct of professional accountants;
5. **Contractual Commitment** means an obligation to make payment on a due date or in order to fulfill certain conditions;
6. **Subsidiary** means an enterprise that is controlled [and] managed by a parent company or company group;
7. **Parent or Company Group** means any enterprise acquiring a sufficient number of shares in another enterprise in order to gain control over such enterprise's management [and]having one or more companies in the group;
8. **International Public Sector Accounting Standards (IPSAS)** means the set of accounting standards issued by the IPSAS Committee and adopted by the International Federation of Accountants in each period for use worldwide by public sector bodies and institutions in the preparation of their financial statements;
9. **International Federation of Accountants (IFAC)** means the international organization for the accountancy profession whose members and associates are primarily national professional accountancy bodies;
10. **International Financial Reporting Standards (IFRS)** means the International Accounting Standards, International Financial Reporting Standards and the related interpretations of both standards adopted and promulgated by the International Accounting Standards Committee from time to time;
11. **Financial Reporting Standards for Non-Public Interest Enterprises** mean accounting standards adapted from the International Financial Reporting Standards for Small- and Medium-sized Entities (IFRS for SMEs) to be appropriate for small-, medium- and large-sized non-public interest entities;
12. **Accounting System** means a complete set of principles, methods, procedures, controls and accounting standards that are set up and used in gathering, recording, classifying and summarizing accurate and timely financial information;
13. **Public Interest Enterprise (PIE)** means an enterprise that is of significant public interest relevance because of the nature of its business, its size or the number of its employees, such as listed enterprises and enterprises holding and managing assets in a fiduciary capacity for individuals, legal entities and organizations, such as banks, insurance companies, securities companies and other financial institutions that have a wide range of activities. The Ministry of Finance can deem other enterprises as public interest enterprises;
14. **Non-Public Interest Enterprise (Non-PIE)** means an enterprise that is not of public interest relevance, such as an individual enterprise, a limited company, sole shareholder limited company and other enterprises;
15. **Implementing Accounting Entities** means entities that are defined to be responsible for the maintenance of accounting, including budgetary entities, technical and administrative entities, State projects, State funds, Public Interest Enterprises, Non-Public Interest Enterprises, non-profit organizations and other entities;
16. **Implementing Government Accounting Entities** means budget entities, administrative and technical entities, and State funds;
17. **Implementing Enterprise Accounting Entities** means local and foreign enterprises operating their businesses in the Lao PDR;
18. **Cash basis** means the basis of accounting that recognizes financial transactions when cash is received or paid;
19. **Accrual basis** means the basis of accounting that recognizes financial transactions when they occur;

20. **Consolidated Financial Statements** means the financial statements of all implementing government accounting entities, which include the financial data of state-owned/controlled enterprises and mixed enterprises presented in unified financial statements;
21. **Separate Financial Statements** means financial statements that are separately prepared for a specific activity of a parent company or company group and its subsidiaries;
22. **Consolidated Financial Statements** means the financial statements of a parent company or company group and its subsidiaries presented as those of a single enterprise.

Article 4 (Amended). Accounting policy

The Government emphasizes the importance of accounting [and] encourages the implementing accounting entities to maintain their accounting records by determining policies and regulations, [and allocating] personnel, vehicles and materials for accounting operations to ensure sound accounting practices characterized by transparency, accuracy, effectiveness and modernity.

The Government promotes the development of a modernized accounting system that complies with the standards of regional and international financial reporting.

Article 5 (New). Accounting practice principles

In practicing accounting work, the following key principles shall be applied:

1. Ensure that the management and implementation [of the accounting work] are centralized and unified throughout the country;
2. Ensure strict implementation in accordance with accounting and financial legislation, and general principles and standards;
3. Ensure correctness, completeness, accuracy and timeliness;
4. Ensure fairness, transparency and auditability.

Article 6 (Amended). Bookkeeping obligations

All implementing accounting entities shall strictly conduct bookkeeping and implement their accounting obligations, functions, and responsibilities in respect of the provisions in accordance with this law. An enterprise registered as a juristic entity shall carry out bookkeeping from the date of its registration.

Article 7 (Amended). Language, currency and figures

The accounting entries, books of accounts and financial statements must be presented in the Lao language and in Kip, except if otherwise authorized by the Ministry of Finance. In case financial statements are in a foreign currency and language, they shall be translated and reported jointly in [the foreign currency and language and] Kip and the Lao language.

Banks can record their accounts in foreign currencies, but they are required to report in the Lao language and in Kip in accordance with the provisions of the Bank of Lao PDR.

Numerical figures in the accounts shall be in Arabic figures (0, 1, 2, 3... and 9), the value separator symbol for thousands, millions, billions and so on shall be a full-stop (.) and the decimal separator symbol shall be a comma (,).

Article 8 (Amended). Accounting period

The accounting period for implementing government accounting entities is the period as defined by the State Budget Law.

The accounting period for implementing enterprise accounting entities is the calendar period starting from 1 January to 31 December.

For certain business entities, the Minister of Finance can approve a different reporting period start date; however, the reporting period remains twelve (12) months.

Article 9 (Amended). Scope of application of the law

This Accounting Law applies to all implementing accounting entities in the State and private sectors, individuals, juristic entities and other organizations related to accounting operations.

Article 10 (Amended). International cooperation

The State encourages building relationships and cooperation with respect to accountancy with foreign countries and international organizations in the region and across the globe through the sharing of technical experience, information, professional assistance, human resource development and others, as well as the implementation of international treaties and agreements of which the Lao PDR is a party to.

Part II Financial Reporting Standards

Article 11 (New). Financial reporting standards

Financial reporting standards are a set of basic accounting principles and procedures to be used as a reference for accounting operations and financial statement preparation.

Financial reporting standards comprise accounting standards, their interpretations, disclosures of financial information, valuation, recognition of revenue and expenses, accounting policies and so on.

Article 12 (New). Financial reporting standards categories

Financial reporting standards to be applied by implementing accounting entities in the Lao PDR comprise three categories, as follows:

1. Accounting standards for implementing government accounting entities;
2. Financial reporting standards for public interest entities;
3. Financial reporting standards for non-public interest entities.

The Ministry of Finance promulgates financial reporting standards for each category of implementing accounting entities.

Article 13 (New). Accounting standards for implementing government accounting entities

Implementing government accounting entities shall apply the cash basis International Public Sector Accounting Standards in order to be prepared to move toward the accrual basis International Public Sector Accounting Standards.

Article 14 (New). Financial reporting standards for public interest enterprises

Public interest enterprises shall apply the International Financial Reporting Standards to prepare their financial statements. If a public interest enterprise controls

one or several subsidiaries, it shall prepare a separate financial statement for each activity and consolidated financial statements.

Public interest enterprises that are banks and financial institutions under the control of the Bank of Lao PDR shall apply the International Financial Reporting Standards as well as using the financial statement format defined by the Bank of Lao PDR.

Article 15 (New). Financial reporting standards for non-public interest entities

Non-public interest enterprises, which comprise large-, medium- and small-sized enterprises, shall apply the Financial Reporting Standards for Non-Public Interest Enterprises to prepare their financial statements. If the non-public interest enterprise controls one or several subsidiaries, it shall apply the Financial Reporting Standards for Large-Sized Non-Public Interest Enterprises and prepare a separate financial statement for each activity and consolidated financial statements.

Article 16 (New). Implementation of financial reporting standards by subsidiaries

Subsidiaries shall apply the International Financial Reporting Standards, when its parent company or company group applies the International Financial Reporting Standards, and shall inform the Ministry of Finance.

If a subsidiary has applied the International Financial Reporting Standards and remains a subsidiary of or separate from a parent company or company group, it shall continue to apply such International Financial Reporting Standards. Subsidiaries shall prepare separate financial statements.

Part III Accounting Implementation

Chapter 1 Bookkeeping

Article 17 (New). Accounting data collection and records

All financial transactions that affect the total assets of the implementing accounting entities shall be collected and recorded chronologically on a daily basis in the journals according to the items in the supporting documents.

Accounting data collection and recording shall comply with basic accounting rules as follows:

1. All transactions must be recorded in Kip, except as otherwise authorized as stated in Article 7 of this law;
2. Double-entry accounting shall be used in recording accounting transactions by recording into at least two associated accounts and ensuring that the total debit amount shall be the same as the total credit amount;
3. Complete and accurate supporting documents shall be used, and maintained in chronological order as evidence for the accounting records;
4. All transactions must be recorded chronologically in the journals on a daily basis and will be reflected in the general ledger;
5. Transactions of the same nature that occur at the same place and time can be grouped by using the same supporting document;
6. Accounting records shall be correct, complete, accurate and timely;
7. The adjustment of incorrect transactions must show the initial errors prior to the recording of the correct transaction;
8. The trial balance and the financial statements shall be prepared on a monthly basis;

9. Comprehensive annual financial statements shall be prepared.

Article 18 (New). Data classification

The implementing accounting entities shall summarize all accounting data and carry forward balances from journals to the general ledger by classifying them into assets, liabilities, equity, income and expenses as the basis for preparing the trial balance.

Article 19 (New). Data summarization

The implementing accounting entities shall summarize daily, monthly and yearly accounting information for preparing the financial statements as defined in this law.

The implementing government accounting entities shall also summarize the accounting information into quarterly financial statements.

Article 20 (New). Credibility of accounting operations

[All implementing accounting entities shall] ensure the credibility of their accounting operations through the following:

1. Setting up accounting and internal control systems and internal audits;
2. Having supporting documents, accounting books, monitoring books that do not contain erased or crossed out data, and having these certified by the chief accountant and signed by the supervisor or manager of the implementing accounting entity;
3. Ensuring that there is no additional insertion or change in the chronological recording of transactions;
4. Having the financial statements signed by and with the name of the chief accountant or the appointed accounting and audit firm that prepared the financial statements. They may also be audited by an external auditor and approved by the supervisor or manager of the implementing accounting entities, and the administrative board (if any);
5. Implementing electronic rules as defined in the Electronic Transaction Law.

Article 21 (New). Accounting procedures

Implementing accounting entities shall use a single accounting system [in conjunction] with the implementation of the financial reporting standards appropriate for the particular entity, and shall describe it in the accounting procedure manual.

Accounting records can be done manually or electronically. In the event that the accounting records are done electronically, the same procedures as for manual accounting shall be followed, and [the accounting software] shall be modern, tested before being used, [staff] shall be thoroughly trained [on it]. It shall also be linked to the financial data system of related parties to ensure the preparation of financial statements, and authorized by the Ministry of Finance.

Chapter 2

Timing for closing entries

Article 22 (New). Timing for closing entries

The implementing government accounting entities shall close their books each working day. Any transactions that occur after the closing time shall be recorded as transactions of the next working day. For electronic accounting systems, the closing of books shall be done automatically.

The closing date of the monthly and quarterly accounts of implementing government accounting entities shall be the last working day of each month and quarter.

The closing date of the annual accounts of implementing government accounting entities shall be as defined in the State Budget Law.

Implementing enterprise accounting entities shall summarize their accounts on a daily and monthly basis and the closing date of the monthly accounts shall be the last day of each month.

The closing date of the annual accounts of implementing enterprise accounting entities shall be 31 December of the year.

Article 23 (Amended). Closing of daily, monthly and annual accounting books

Implementing government accounting entities shall summarize daily their journals, carry forward the account balances from the journals to the general ledger, and reconcile balances of accounts between the journals and registers to ensure correctness, completeness, transparency and timeliness.

Implementing accounting entities shall implement this monthly closing account procedure:

1. Take stock of cash, inventory, receivables, payables and others to certify the correctness of their content [nature] and quantity according to the actual stock taking at the closing date of the monthly accounts;
2. Reconcile financial accounting transaction figures with those of other related parties to ensure correctness, comprehensiveness, transparency and timeliness;
3. Calculate depreciation, impairments and others, for the enterprise's capitalization purposes;
4. Summarize figures from the general ledger into the trial balance and prepare the financial statements;
5. Complete the enterprise's year-end accounting adjustments within two months after the closing date of the annual accounts.

Chapter 3

Accounting documents

Article 24 (New). Accounting documents

Accounting documents comprise the following:

1. Accounting manuals;
2. Financial accounting supporting documents;
3. Electronic supporting documents;
4. Chart of accounts;
5. Accounting books, registers, trial balance, in the prescribed format; and
6. Financial statements.

Article 25 (Amended). Accounting manual

The accounting manual of implementing accounting entities is a book that describes their accounting policy and procedure [and is] based on the accounting manual of the Ministry of Finance. This manual shall be a reference for their bookkeeping, information provision, internal control and reporting.

Article 26 (New). Financial accounting supporting documents

Financial accounting supporting documents as evidence for recording transactions of implementing accounting entities shall comply with rules defined by the Ministry of Finance.

Financial transactions shall have verified transaction supporting documents in terms of revenue and expenses for their comprehensiveness, accuracy and conformity with the guidelines defined by the Ministry of Finance. Accountants shall verify all financial transactions before and after receipt and payment.

Article 27 (Amended). Electronic supporting documents

Electronic supporting documents are documents, records or data recorded or kept in electronic devices that can be read on a screen, printed out on paper or other forms.

The Ministry of Finance has set out the rules regarding electronic supporting documents for implementing government accounting entities in compliance with the Electronic Transaction Law.

Article 28 (New). Chart of accounts

A chart of accounts is the systematic classification of accounts with codes and names in appropriate groups, based on which relevant financial transactions regarding assets, liabilities, equity, income and expenses are recorded into the accounting books in order to prepare separate financial statements.

The Ministry of Finance formulates and promulgates the General Chart of Accounts for government accounting and enterprise accounting entities as the basis for accounting implementation.

The Bank of Lao PDR formulates and promulgates a chart of accounts for the banks and financial institutions under its control.

Implementing accounting entities shall maintain their bookkeeping in line with the General Chart of Accounts promulgated by the Ministry of Finance. They may create sub-accounts according to the specific characteristics of their particular entity and describe them in their accounting manual, in order to prepare their financial statements.

Enterprises that apply financial statement standards may keep their books according to the General Chart of Accounts promulgated by the Ministry of Finance or set up their chart of accounts according to the specific characteristics of their business. They must submit their chart of accounts to the Ministry of Finance from time to time.

Article 29 (Amended). Accounting books, registers and trial balance

Accounting books comprise journals and the general ledger.

Implementing accounting entities shall prepare accounting books, registers and a trial balance to be able to prepare financial statements.

When using electronic accounting books, the procedures shall be the same as those for manual accounting, and must comply with the Electronic Transaction Law.

Article 30 (New). Forms of accounting books, registers and trial balance

The Ministry of Finance defines forms of accounting books, registers and trial balances for accounting control purposes. The implementing accounting entities shall use those forms for recording transactions in compliance with accounting rules.

Article 31 (Amended). Financial statements

Financial statements are the structured representation of the financial position, financial performance, cash flows and notes to the financial statements of the implementing accounting entity, which include the following:

1. Financial statements of implementing government accounting entities shall at least comprise:

- Statement of State budget receipts and payments;
 - Statement of cash flow;
 - Explanatory notes to the financial statements with the accounting policy.
2. Financial statements of implementing enterprise accounting entities shall at least comprise:
- Statement of financial position;
 - Income statement;
 - Explanatory notes to the financial statements.

Besides the above statements, the financial statements of large-sized public interest entities and non-public interest entities shall include a statement of changes in equity and a statement of cash flow.

Chapter 4

Accounting Data Processing

A. General Method of Accounting Data Processing

Article 32 (New). Accounting data processing

Accounting data processing is an accounting system that records transactions manually or electronically. It is used by implementing accounting entities for accounting implementation for data collection, recording, classification, consolidation and preparation of financial statements to comply with accounting standards and rules.

Organizations under the control of an implementing accounting entity shall submit their financial information to that entity for the purpose of preparing consolidated financial statements or a financial report for all activities.

Article 33 (New). Audit trail

An audit trail shall be maintained to be able to do the following:

1. Reconstitute all items in the financial statements in chronological order;
2. Justify by an original piece from which must be possible to identify and track the correction of error made from the original entry through the financial statements and vice versa;
3. Explain the variance of accounts in the financial statements for two comparative periods.

B. Government Accounting Data Processing Method

Article 34 (New). Provision of financial information

All organizations involved in State budget execution as well as government accounting shall submit their financial budget information to the National Treasury for the purpose of preparing government consolidated financial statements.

Article 35 (New). Budgetary accounting

Budgetary accounting is a method for:

1. Recording information concerning planned budgeted revenue and expenditures of government accounting entities to assure correctness, comprehensiveness, transparency and timeliness as well as to meet the financial requirements for socio-economic development and the State budget;
2. Monitoring budget allocations initially approved and revised budgets of government accounting entities;

3. Managing and monitoring budget balancing such as reallocations, commitments and payments.

Article 36 (New). Responsibilities for budget execution

Responsibilities for budget execution are as follows:

1. Implementing government accounting entities shall be responsible for executing their budget according to the Budget Law and policies, standards and rules [and procedures] issued by the Ministry of Finance, and implementing a system of commitment control within their entities to avoid incurring arrears and expenditures that exceed the planned budget approved by the National Assembly;
2. Implementing government accounting entities shall record contractual commitments into registers upon the signing of purchase orders or contracts in order to recognize debts. Under no circumstances shall the total expenditure, including the commitments of a government accounting entity, exceed its approved annual budget;
3. The chief accountant of implementing government accounting entities shall review [proposed] expenditures to make sure that the expenditures are authorized in the annual budget approved by the National Assembly and within the budget allocation made available by the Ministry of Finance. The supervisor and chief accountant of the implementing government accounting entity shall be jointly responsible for such excess expenditures.

Article 37 (New). Cash operations accounting

Cash operations accounting shall be carried on as follows:

1. The Ministry of Finance will establish a National Treasury centralized accounting system for unifying all State cash flows. The National Treasury centralized accounting system will be determined by the Minister of Finance;
2. All payments shall be done through the government banking system. The Ministry of Finance can authorize cash payments as defined in specific rules. All advance payments shall be in line with the annual budget and be settled within the fiscal year;
3. Implementing government accounting entities shall monitor the direct payments made by donors on their behalf and submit a copy of the donor payment to the National Treasury. Based on that donor payment, the National Treasury shall record and show that amount in the cash flow statement;
4. Budget contributors shall make payment based on their obligations through the banking system, electronic system or to the National Treasury as defined by the Ministry of Finance. For remote areas where there is no National Treasury and no banking service, the payment can be made at the most convenient service unit;
5. Officials or officers receiving payments shall immediately enter or record transactions into the accounting system, summarize and report received cash and checks to the chief accountant of the implementing government accounting entity, and deposit or cash all received checks in a timely manner.

Implementing government accounting entities shall summarize the accounting records of State funds and government projects under their control in their cash flow statement. Transactions and balances per their books shall be reconciled with the bank statements of the National Treasury. Grants and loans received shall be disclosed separately in the year-end cash flow statement, indicating the amount by type of donor, domestic and external, and other details consistent with cash-basis international public sector accounting standards.

Article 38 (New). Asset accounting

Asset accounting shall be carried out as follows:

1. The Ministry of Finance shall manage, monitor and consolidate all State assets with a tracking system that accounts for all State asset purchases, sales, rentals, concessions, guaranties, donations, transfers, movements and disposals to enable those assets to be reported from time to time according to government accounting regulations;
2. Implementing government accounting entities shall be responsible for managing and conserving State assets under their control, and recording all variation [increase-decrease] in the State assets. Before closing the annual accounts, they shall conduct an annual physical inventory of State assets to ensure the correctness of the accounting and existence of the assets;
3. State land use rights, buildings, vehicles, machines, materials and equipment, including the assets derived from contributions or grants must be recorded and registered as State assets;
4. All government investments in enterprises shall be accounted for as State assets in accordance with accounting regulations with details of each investment. The Government investment must be shown in the [government] annual financial statements.

Article 39 (New). Liability accounting

Implementing government accounting entities must not create any government debts that exceed the debt ceiling approved in the budget, [and must] monitor payments and ensure that scheduled payments are made to their suppliers in due time. Unsettled payment orders or claims as at the reporting date shall be classified as arrears. Details of arrears and the amount shall be reported to the supervisor or designated person and the Ministry of Finance on a monthly basis.

The Ministry of Finance shall be responsible for recording, monitoring and paying government liabilities by the due date. Debts not paid on the due date shall be recorded as payables. It shall also monitor loans of state-owned/controlled enterprises or mixed enterprises that are guaranteed by the government, and implement the necessary sanctions for any default by those enterprises that cannot pay their debts.

Chapter 5 Internal Control and Audit

Article 40 (Amended). Internal control

Internal control is an organizational system for operational control that defines the scope, rights, duties, procedures and coordination in compliance with the strategies and objectives of the implementing accounting entities in order to be effective and efficient with the availability of complete, accurate, credible and timely financial information and reporting.

Implementing accounting entities shall set up an internal control system in accordance with the general principles of internal control in order to ensure the compliance of the accounting implementation with financial reporting standards, accounting regulations and this law.

Article 41 (New). General principles of internal control

The general principles of internal control are to:

1. Set up an internal organization system that ensures that the risk is within a manageable level;

2. Identify potential risks to enable management to define an appropriate plan and policy for risk management;
3. Assess risks to define response methods to prevent risks from occurring or avoid significant problems if the risk occurs;
4. Select the proper response method to keep the risk within an acceptable level, such as avoiding, reducing, segmenting and accepting risks;
5. Establish policies, measures and procedures that help reduce risks and can be implemented at all functional levels;
6. Create an efficient information and communication system enabling [staff] to carry out and fulfill their responsibilities;
7. Monitor[and]evaluate [risk management] to ensure that there's a sound internal control system in place.

Article 42 (New). Internal audit

Implementing accounting entities shall regularly organize internal audits within their entities in order to ensure effective and efficient operations and the availability of reliable financial statements that comply with regulations.

Article 43 (New). Internal audit scope

The scope of the internal audit is as follows:

1. To review the credibility and comprehensiveness of accounting records, financial information, performance and tools used for identifying, evaluating, classifying and reporting that information;
2. To review the system set up by the implementing accounting entity to ensure compliance with policies, plans, procedures, the laws and other relevant regulations that can impact its operations;
3. To review compliance with asset maintenance and conservation and capacity in proving the existence of those assets;
4. To review and evaluate the economy and efficiency of the use of resources and budget;
5. To review the performance achievement of each staff in accordance with the objectives and goals of the implementing accounting entity;
6. To monitor and evaluate the effectiveness of the risk management and administrative processes;
7. To review and evaluate the appropriateness and sufficiency of the internal control system;
8. To review the sufficiency of the controls of the information technology system;
9. To carry out other work as assigned by the supervisor or manager.

Chapter 6

Financial Statements Preparation and Reporting

Article 44 (New). Timing for monthly financial statement preparation and reporting

Timing for monthly financial statement preparation and reporting of implementing government accounting entities shall be carried out as follows:

1. Secondary-level budget entities shall complete the preparation of their monthly financial statements and send them to the primary-level budget entity after the closing date of the monthly accounts;
2. Primary-level budget entities shall complete the preparation of their monthly financial statements, and the consolidation of all secondary-level financial statements for the entities under their control, then submit them to the National Treasury after the closing date of the monthly accounts;

3. District [and] municipal National Treasuries shall prepare monthly financial statements and send them to the provincial [and] prefecture National Treasury after the closing date of the monthly accounts;
4. Provincial [and] prefecture National Treasuries shall prepare their monthly financial statements, consolidate all financial statements of the district [and] municipal national treasuries under their control, then submit them to the central National Treasury after the closing date of the monthly accounts.

The Ministry of Finance issues guidelines on the timing for financial statement preparation and reporting of the implementing government accounting entities.

Article 45 (New). Timing for preparation of annual financial statements

Annual financial statements are the financial statements of each entity and the government consolidated financial statements for implementing government accounting entities, and the separate financial statements and consolidated financial statements for implementing enterprise accounting entities.

Timing for annual financial statements preparation shall be carried out as follows:

1. Implementing government accounting entities shall implement as follows:
 - Secondary-level budget entities shall prepare their annual financial statements and send them to the primary-level budget entity after the closing date of the annual accounts;
 - Primary-level budget entities shall prepare their annual financial statements as well as consolidate all the financial statements of the secondary-level budget entities under their control, have them signed by the supervisor, and then submit them to the Ministry of Finance, provincial [or] prefecture finance divisions, after the closing date of the annual accounts.
 - District [and] municipal National Treasuries shall prepare annual financial statements and send them to the provincial [and] prefecture National Treasury after the closing date of the annual accounts;
 - Provincial [and] prefecture National Treasuries shall prepare their annual financial statements, consolidate all the financial statements of the district [and] municipal National Treasuries under their control, and then submit them to the central National Treasury after the closing date of the annual accounts;
 - The central National Treasury shall prepare its annual financial statements, consolidating all provincial [and] prefecture financial statements, within two months after the closing date of the annual accounts.
2. Implementing enterprise accounting entities shall prepare their annual financial statements within two months after the closing date of the annual accounts;
3. The electronic preparation of financial statements shall comply with this law and the Electronic Transaction Law;
4. The Ministry of Finance prepares the consolidated financial statements.

The Ministry of Finance issues guidelines on timing for the annual financial statement preparation and reporting of implementing accounting entities.

Article 46 (Amended). Responsibility for financial statements

Managers or supervisors of relevant implementing accounting entities are directly and completely responsible for the financial statements prepared by their entity during the period that they were manager or supervisor, even though they may have only been acting in that capacity or have resigned their position.

Article 47 (New). Accountability of implementing government accounting entities

Implementing government accounting entities are accountable for the following:

1. Implementing government accounting entities shall report their budget execution, and financial and cash operations on a daily, weekly, monthly, quarterly and annual basis with accuracy and timeliness and comply with the budget nomenclature and guidelines of the Ministry of Finance by comparing the original budget, amended budget, if any, and actuals with the summarized figures of the National Treasury, [and] include accounting figures and explanatory notes on the discrepancies. This report shall illustrate the outstanding financial commitments that are necessary for the budget allocation plan of the budget entities and the financial management of the Ministry of Finance;
2. Implementing government accounting entities shall submit their report on budget execution and payments to the Ministry of Finance in a timely manner;
3. The Ministry of Finance shall submit the government consolidated financial statements to the Government in a timely manner.

Article 48 (New). Accountability of implementing enterprise accounting entities

Public interest enterprises and non-public interest enterprises including State-owned/controlled enterprises or mixed enterprises shall regularly submit their annual financial statements and audit reports for audited enterprises, within three months after the closing date of the annual accounts to finance authorities and other authorities for the purpose of management and monitoring of the implementation of accounting standards.

Banks and financial institutions under the control of the Bank of Lao PDR shall implement the reporting regulations issued by the Bank of Lao PDR.

Financial reporting to the finance authority maybe submitted in paper or electronic form.

Article 49 (New). Disclosure and access to accounting data

The government consolidated financial statements are financial documents to be used as the basis for the purpose of verifying the government's annual budget execution, which has to be audited by the State Audit Organization. It shall then be disclosed in the Government Gazette after being approved by the National Assembly.

The annual financial statements of enterprises shall be audited as defined in the relevant regulations. Individuals, legal entities and organizations can access the financial data of enterprises through the relevant authorities. Financial statements of listed companies shall be publicly disclosed as stated in the Securities Exchange Law.

Chapter 7

Management of Accounting Documents and Data

Article 50 (Amended). Duration and method maintenance

Implementing accounting entities shall maintain records of all accounting documents for a minimum of 10 years. In the event that the accounting documents concern any contract, they shall be kept for another 10 years after contract completion.

The maintenance of accounting documents shall be carried out as follows:

1. Classify in numerical order, by the nature of the transaction, and in chronological order, and then file correctly;
2. Retain [the accounting documents] on the premises of the implementing accounting entity, to ensure their safety and accessibility;
3. Save the electronic accounting documents in the database that is linked to the database of the Ministry of Finance.

Article 51 (New). Maintenance of electronic accounting data

Implementing accounting entities using accounting software shall maintain all data in secure and safe databases that can retain such data for the long term and in compliance with the data maintenance principles determined in the Electronic Transaction Law.

Article 52 (New). Removal of accounting documents

[Before] destroying expired accounting documents, a verification of the details and nature of the accounting documents to be destroyed shall be conducted, [then a request detailing the list of documents to be destroyed shall be prepared] to obtain authorization from the supervisor or manager.

Destruction of such documents must be undertaken by a committee authorized by the implementing accounting entities. Original confirmation of destroyed documents shall be kept as evidence for audit.

Part IV
Implementing Accounting Entities and Accountants

Chapter 1
Implementing Accounting Entities

Article 53 (New). Implementing government accounting entities

Implementing government accounting entities comprise the following:

1. Budget entities;
2. Administrative and technical entities;
3. State funds.

Article 54 (New). Implementing enterprise accounting entities

Implementing enterprise accounting entities comprise the following:

1. Public interest entities;
2. Non-public interest entities.

Implementing enterprise accounting entities include State-owned/controlled enterprises, mixed enterprises and other categories of enterprises.

Implementing enterprise accounting entities shall have their own accounting organizational structure with respect to this law.

Article 55 (New). Accounting for loan and grant projects

External loan and grant projects can opt for the implementation of either government accounting or enterprise accounting or donor-specific accounting.

Social organizations, foundations, funds and non-profit organizations operating for the public interest or social assistance can opt to implement either government accounting or enterprise accounting.

Article 56 (New). Rights and duties of implementing accounting entities

Implementing accounting entities have the following rights and duties:

1. To procure and appoint an accountant who meets all the criteria as stated in Article 57 of this law;
2. To ensure that the accounting implementation of its entity complies with regulations;

3. To provide accurate and complete accounting data and documents for use in accounting operations to the accountant and to be responsible for that;
4. To control their accountant in order to carry out accounting operations in compliance with regulations and financial reporting standards;
5. To ensure that the accountant accurately and comprehensively records all transactions that occur;
6. To ensure the operation of its internal control and audit systems;
7. To ensure the correctness of information in the prepared accounting documents and financial statements and to sign those documents;
8. To take ownership for the tax calculation, declaration and payment, and do it accurately and in a timely manner;
9. To provide notification in writing regarding the loss of accounting documents and data to the finance authorities and other related authorities;
10. To close accounts, and prepare and submit financial statements in an accurate, complete and timely manner;
11. To maintain accounting data and documents as defined in Articles 50 and 51 of this law;
12. To have their financial statements audited by the State Audit Organization or an independent auditor, except as otherwise specified.

Chapter 2 Accountants

Article 57 (New). Accountants

Accountant refers to those one who are in charge of the accounting implementation and preparation of the financial statements of an implementing accounting entity, including the chief accountant, accounting staff, and accounting and audit firms.

Article 58 (Amended). Criteria of the chief accountant

The chief accountant is directly responsible for carrying out the accounting operations and preparing financial statements of the implementing accounting entity and shall meet the following criteria:

1. Be at least a holder of an academic diploma in finance, accounting or another field related to finance and accounting, and have practical experience in accountancy of at least three years;
2. Have the capacity to organize, guide, lead and solve accounting problems;
3. Be a holder of a training certificate on accounting issued by the Ministry of Finance or other relevant organizations;
4. Be of good repute, never have committed any violation of the regulations, such as fraud, corruption or other offenses;
5. Be in good health.

For implementing enterprise accounting entities that are public interest enterprises and large-sized non-public interest enterprises, in addition to the above, [the chief accountant] shall be a member of the Chamber of Professional Accountants and Auditors.

Article 59 (Amended). Criteria of the accounting staff

The accounting staff assist the chief accountant in the accounting implementation and preparation of the financial statements of the implementing accounting entities and shall meet the following criteria:

1. Be at least a holder of a vocational diploma in finance, accounting or another field related to finance and accounting;
2. Have basic computer skills and be trained in accounting;
3. Be of good repute, never have committed any violation of the regulations, such as fraud, corruption or other offenses;
4. Be in good health.

Article 60 (New). Rights and duties of the chief accountant

Chief accountants exercise the following rights and duties:

1. To delegate responsibility for assigned bookkeeping work to their accountant;
2. To keep secret the confidential information of the implementing accounting entity;
3. To be responsible for the preparation of financial statements as stated in Section III, Chapter 3 of this law and to ensure that their implementing accounting entity implements the code of ethics, financial and accounting policies, standards, principles and rules, to ensure the quality and effectiveness of the work done and to carry out internal audits on a regular basis;
4. To be responsible for the accuracy of the information in the accounting documents and prepared financial statements by signing all such documents;
5. To provide their opinion, and explain the rules and legislation on accounting to their supervisor or manager of the implementing accounting entity in order to operate according to the laws and regulations;
6. To report to the finance authority the case of offenses after the offenses are raised to the supervisor or manager of the implementing accounting entity but there is no solution made;
7. To explain in detail the amounts presented in the financial statements to the supervisor or manager before he/she signs the financial statements;
8. To clarify and write a report to the supervisor or manager of the implementing accounting entity in case there are findings for any accounting errors.

Article 61 (Amended). Rights and duties of accounting staff

The accounting staff exercise the following rights and duties:

1. To carry out daily bookkeeping and record all transactions that have occurred into the accounting books or electronic database;
2. To keep secret the confidential information of the implementing accounting entity;
3. To summarize and report [to their chief accountant] on a daily, weekly and monthly basis;
4. To assist the chief accountant in preparing the financial statements;
5. To be responsible for the accuracy of the information in the accounting documents to the extent of their responsibility;
6. To manage and maintain accounting documents;
7. To contact and request individuals, legal entities and organizations to provide accounting documents;
8. To exercise other rights and duties as assigned by the chief accountant.

Article 62 (New). Rights and duties of accounting and audit firms

Accounting and audit firms are enterprises providing accounting and audit services that are duly incorporated and registered as enterprises in compliance with laws.

Accounting and audit firms exercise the following rights and duties:

1. To implement the Code of Ethics for professional accountants;

2. To provide accounting services to implementing accounting entities in compliance with regulations;
3. To give explanations regarding accounting work done by them to authorities and relevant officials as stated in the regulations;
4. To keep secret the confidential information of implementing accounting entities to whom they render accounting services;
5. To keep copies of evidence and documents related to the accounting work;
6. To report on the accounting services of its entity to the accounting authority;
7. To cooperate with State accounting staff or officials;
8. To exercise other rights and duties as stated in regulations.

Article 63 (New). Upgrading accounting professional knowledge

Staff responsible for government and enterprise accounting work shall continuously upgrade their accounting professional knowledge by attending trainings or upgrading their knowledge in relation to the regulations and financial reporting standards which are organized by the Ministry of Finance from time to time.

Part V

Advisory Accountancy Board

Article 64 (Amended). Position and role of the Advisory Accountancy Board

The Advisory Accountancy Board is a temporary organization under the supervision of the Ministry of Finance and has the role of technical advisor on accounting, financial reporting standards and other accounting related regulations.

Article 65 (Amended). Rights and duties of the Advisory Accountancy Board

The Advisory Accountancy Board has the following rights and duties:

1. To give advice [and] recommendations in studying, drafting and amending accounting standards/financial reporting standards to be appropriate to the socio-economic context in each time period to the Ministry of Finance for consideration;
2. To give feedback on draft accounting regulations;
3. To give advice [and] recommendations on the implementation of financial reporting standards;
4. To take part in the accounting activities in the Lao PDR and abroad according to the appointment of the Ministry of Finance;
5. To exercise other rights and duties as stated in regulations.

Article 66 (Amended). Structure of personnel

The personnel of the Advisory Accountancy Board are appointed or dismissed by the Prime Minister according to the proposal of the Ministry of Finance, which comprises the following:

1. Vice-Minister of Finance as President;
2. Director General of the Accounting Department of the Ministry of Finance as permanent Vice President;
3. Director General of the Finance-Accounting Department of the Bank of Lao PDR as Vice President;
4. A certain number of members equipped with accounting knowledge, qualifications and skills from various relevant State and private sectors.

The Accounting Department, the Ministry of Finance, is the secretariat and permanent organization of the Advisory Accountancy Board.

The role and activities of the Advisory Accountancy Board and secretariat are defined in specific regulations.

Part VI Prohibitions

Article 67 (New). Prohibitions for officials and general employees

Officials and general officer are prohibited from acting as follows:

1. Compiling accounts, preparing financial statements and carrying out bookkeeping for any enterprise;
2. Colluding with implementing accounting entities in concealing [information], falsifying financial statements for their own interest and causing damage to State interests;
3. Disclosing known confidential information of legal entities and organizations;
4. Abusing their position by impeding, concealing, falsifying or altering data in reference to accounting documents for their own or another party's interests;
5. Giving advice in relation to or protecting implementing accounting entities breaching regulations;
6. Claiming, requesting, offering or receiving bribes or other interests;
7. Acting in violation of regulations.

Article 68 (Amended). Prohibitions for implementing accounting entities

Implementing accounting entities are prohibited from acting as follows:

1. Appointing a chief accountant and accounting staff that do not meet all the criteria stated in Articles 58 and 59 of this law;
2. Appointing a close relative as the supervisor or manager of the implementing accounting entity or as chief accountant;
3. Not attending to the implementation of accounting, or inaccurately implementing, or using several accounting systems;
4. Providing incomplete, inaccurate accounting data, destroying evidence, falsifying documents, concealing data and inaccuracies related to accounting and finance operations;
5. Moving original accounting documents off the premises of the implementing accounting entity;
6. Using the services of an accounting and audit firm that is not legally permitted to practice;
7. Preparing incomplete or incorrect financial statements, and reporting late or not reporting at all;
8. Impeding, and not cooperating, offering bribes and presents to accountants or State officials;
9. Acting in violation of regulations.

Article 69 (Amended). Prohibitions for chief accountants

Chief accountants are prohibited from acting as follows:

1. Disclosing the confidential information of the implementing accounting entity unless it is required to be disclosed in accordance with the regulations;
2. Reporting incorrect [and] incomplete financial or accounting information;
3. Being close relatives with the supervisor or manager of the implementing accounting entity;
4. Colluding with individuals, legal entities or organizations in concealing, falsifying and destroying financial information;

5. Abusing their position for their own interests, by force, threats, obstruction , or receiving bribes;
6. Impeding or abandoning their assigned duties and responsibilities;
7. Summarizing and carrying out the bookkeeping of another implementing accounting entity;
8. Acting in violation of regulations.

Article 70 (Amended). Prohibitions for accounting staff

Accounting staff are prohibited from acting as follows:

1. Being in charge of many jobs at the same time, such as being responsible for treasury, accounting, procurement and inventory;
2. Disclosing confidential information of the implementing accounting entity, unless it is required to be disclosed by the regulations;
3. Colluding with individuals, legal entities and organizations in concealing, falsifying or destroying financial information;
4. Summarizing and carrying out the bookkeeping of another implementing accounting entity;
5. Abusing their position for their own interests, by force, threats, obstruction, or receiving bribes;
6. Impeding or abandoning their assigned accounting duties and responsibilities;
7. Acting in violation of regulations.

Article 71 (New). Prohibitions for accounting and audit firm

Accounting and audit firms are prohibited from acting as follows:

1. Violating the Code of Ethics;
2. Providing accounting services to an implementing accounting entity that is not duly registered;
3. Being a representative in giving their opinion to conceal the offenses of an implementing accounting entity;
4. Disclosing confidential information of the implementing accounting entity for whom they carry out accounting work, unless it is required to be disclosed by the regulations;
5. Destroying evidence, falsify documents, conceal accounting-related data and offenses;
6. Offering bribes or presents, or colluding with officials in concealing [information], or falsifying financial statements for their own interests and for the interests of the implementing accounting entity for whom they render accounting services;
7. Not cooperating with State accounting staff or officials;
8. Avoiding and not reporting on their accounting activities to the accounting authorities;
9. Rendering accounting and auditing service to the same implementing accounting entity;
10. Rendering accounting services to an entity in which the chief accountant or manager is their close relative;
11. Acting in violation of regulations.

Article 72 (Amended). Prohibitions for individuals, juristic entities and other organizations

Individuals, juristic entities and other organizations are prohibited from acting as follows:

1. Declining to provide information to the relevant organization, or being involved in the concealment [of information] and encouraging the commission of offenses related to the accounting and bookkeeping of the implementing accounting entity;
2. Offering or receiving bribes, colluding with State officials, the implementing accounting entity, and the accounting and audit firm in concealing information or falsifying financial statements for their own interest and causing damage to the State's interests;
3. Summarizing and carrying out accounting work for implementing accounting entities without authorization from the finance authority;
4. Intervening in the accounting implementation or impeding an accounting inspection;
5. Acting in violation of regulations.

Part VII Conflict Resolution

Article 73 (New). Types of conflict resolution

Conflicts concerning accounting could be resolved by one of the following types of resolution:

1. Mediation;
2. Resolution by administrative body;
3. Resolution by the Economic Resolution Organization;
4. Resolution by People's Court;
5. International resolution.

Article 74 (New). Mediations

Any disputes that occur between the implementing accounting entity, and the accounting and audit firm, individual, juristic entity or other related organization, can be resolved by negotiation and mutual compromise for their mutual interest.

Article 75 (New). Resolution by administrative body

In case of conflicts related to accounting, the parties to the conflict have the right to request the finance authority and other relevant authorities to resolve it in accordance with regulations.

Article 76 (New). Resolution by the Economic Resolution Organization

In case of conflicts related to accounting, parties to the conflict have the right to request that the Economic Resolution Organization to resolve it in accordance with regulations.

Article 77 (New). Petition to the People's Court

In case of conflicts related to accounting, parties to the conflict have the right to send a petition to the People's Court for resolution in accordance with regulations.

Article 78 (New). International conflict resolution

International conflicts related to accounting shall be resolved on the basis of existing treaties and conventions to which the Lao PDR is a party to.

Part VIII

Supervision and Inspection

Chapter 1

Accounting Supervision

Article 79 (Amended). Supervising authorities in accounting operations

The Government conducts the supervision of accounting operations in a centralized manner throughout the country by assigning the Ministry of Finance to have the authority to coordinate with other sectors and relevant local authorities according to the extent of its role.

Supervising authorities in accounting operations include:

1. The Ministry of Finance, of which the Accounting Department acts as the secretariat;
2. The provincial and prefecture finance divisions, of which the accounting divisions act as secretariat; and
3. The district [and]municipal finance offices.

Article 80 (Amended). Rights and duties of the Ministry of Finance

In supervising accounting operations, the Ministry of Finance exercises the following rights and duties:

1. To study, determine, amend and disseminate strategic plans, policies and regulations on accounting work with the collaboration of related parties;
2. To formulate and amend financial reporting standards, accounting regulations, directives and procedures on a regular basis in order to enable implementing accounting entities to operate with a nationwide unified accounting system;
3. To disseminate strategic plans, policies and regulations in relation to accounting and financial reporting standards;
4. To guide, promote, monitor and assess the implementation of law, regulations and standards in relation to accounting and financial reporting standards on a regular basis;
5. To supervise and monitor the activities of the Advisory Accountancy Board;
6. To monitor the accounting implementation of implementing accounting entities;
7. To approve, suspend and cancel the use of accounting software and the change of accounting period;
8. To coordinate with other sectors and relevant local authorities to build the capacity of the accounting sector, such as developing and upgrading public and private accounting personnel;
9. To develop and modernize accounting operations in line with regional and international financial reporting standards;
10. To cooperate with foreign, regional and international organizations in accountancy;
11. To regularly summarize, assess and report to the Government on accounting activities;
12. To exercise other rights and duties in accordance with laws and regulations

Article 81 (Amended). Rights and duties of provincial finance departments

In supervising accounting operations, provincial and prefecture finance divisions exercise the following rights and duties:

1. To implement and disseminate an accounting strategic plan and policies, and to formulate them into detailed action plans, programs and projects;
2. To advertise and disseminate the accounting strategic plan, policies, regulations and other related legislations;
3. To provide guidance on the technical work of the accounting offices, and allocate personnel;
4. To monitor and assess the implementation of accounting regulations to the extent of their responsibility;
5. To improve, develop and upgrade the knowledge and skills of personnel in relation to politics to the personnel in accounting authorities and accounting staff in the State and private sectors;
6. To monitor the accounting implementation of implementing accounting entities under their control;
7. To coordinate with other sectors and local authorities regarding accounting implementation;
8. To cooperate with international and regional organizations in accountancy as assigned by the higher level;
9. To regularly summarize, assess and report on accounting implementation to the Ministry of Finance;
10. To exercise other rights and duties in accordance with legislation.

Article 82 (Amended). Rights and duties of the district finance offices

In supervising accounting operations, the district finance offices shall exercise the following rights and duties:

1. To respectfully implement accounting regulations and directives;
2. To disseminate accounting policies and regulations as well as accounting-related legal texts to the extent of its responsibility;
3. To encourage and monitor the implementation of accounting regulations to the extent of their responsibility;
4. To summarize and report regarding accounting implementation to the provincial finance department;
5. To exercise other rights and duties in accordance with legislation.

Article 83 (New). Rights and duties of other authorities

In supervising accounting operations, other related ministries, organizations and local authorities shall exercise the right and duty of monitoring and collaborating with finance authorities in implementing accounting work according to their roles and responsibilities.

Chapter 2 Accounting Inspection

Article 84 (New). Accounting inspection authorities

The accounting inspection authorities comprise:

1. Internal inspection authorities, which are the same as the accounting supervising authorities defined in Article 79 of this law;

2. External inspection authorities, which are the National Assembly, the Government Inspection and Anti-Corruption Organization, the State Audit Organization, the Lao National Front, mass organizations, the media and people.

Article 85 (New). Inspection objectives

Inspection is done for the following purposes:

1. To enhance the compliance of financial reporting with defined standards;
2. To enhance the comprehensiveness and compliance of the accounting implementation;
3. To enhance the compliance of accounting documentation with the international accounting standards.

Article 86 (New). Nature of inspection

The nature of the accounting inspection is as follows:

1. Inspection of the implementation of accounting laws, regulations and standards;
2. Inspection of the exercising of the rights and duties of implementing accounting entities and accountants;
3. Inspection of the responsibilities, acts and working methods of staff regarding accounting work;
4. Inspection of the compliance, the actual environment of accounting implementation of implementing accounting entities.

Article 87 (Amended). Types and methods of inspection

There are three types of inspections, as follows:

1. A regular inspection;
2. Inspection with advance notification;
3. Surprise inspection.

Regular inspection is a control conducted according to a precise schedule on a regular basis.

Inspection with advance notification is an unplanned inspection that is undertaken when it is deemed necessary; the target entity shall be given notice of the inspection in advance.

A surprise inspection is a sudden inspection done as a matter of urgency that is undertaken without advance notice being given to the entity being inspected.

Inspection methods are desk inspections and field inspections.

Chapter 3 Accounting Officials

Article 88 (New). Accounting officials

Accounting officials are staff of the Accounting Department and provincial accounting divisions who are assigned to carry out some accounting inspection activities and duties.

Article 89 (New). Rights and duties of accounting officials

Accounting officials shall exercise the following rights and duties:

1. To encourage and monitor the accounting implementation of implementing accounting entities and accountants;
2. To contact and request individuals or related organizations to submit accounting documents, statistics and data;
3. To inspect the compliance of the accounting and duty payment of implementing accounting entities and accountants;
4. To receive cooperation and facilitation from individuals, legal entities and organizations when carrying out their duties;
5. To regularly summarize and report their inspection performance to their organization for consideration;
6. To exercise other rights and duties in accordance with the legislation.

Article 90 (New). Confidentiality

Accounting officials carrying out their activities and duties shall strictly keep the accounting information confidentially.

**Part IX
Budget, Uniform, Logo and Official Seal**

Article 91 (New). Budget

The accounting supervisory authorities as defined in Article 79 of this law have a budget under the Ministry of Finance for carrying out their activities according to the Law on the State Budget.

Article 92 (New). Uniform, logo and official seal

Official accounting authorities have specific uniforms and seals as approved by the Ministry of Finance.

When carrying out their duties, accounting officials shall wear their uniform with the logo.

Each level of the accounting authorities has their own seal for official use.

**Part X
Rewards for Good Performers and Sanctions against those with Violators**

Article 93 (Amended). Rewards for good performers

Any individual, legal entity or organization that achieves exemplary performance in their accounting implementation in compliance with the regulations and financial reporting standards as well as contributes to the enforcement of accounting implementation, provides information to enable to detect falsification, cover-ups and other offenses related to accounting operations will be rewarded or will be granted other appropriate allowances according to regulations.

Article 94 (Amended). Measures against violators

Individuals, legal entities or organizations who violate this law will be subject to education, disciplinary sanctions, fines or penal sanctions according to the seriousness of the violations.

Article 95 (New). Education sanctions

Individuals, legal entities or organizations who commit minor violations of the accounting regulations will be subject to education or a warning.

Article 96 (New). Disciplinary sanctions

Personnel of implementing accounting entities who violate the accounting regulations and cause minor damage will be subject to disciplinary sanctions according to related regulations.

Article 97 (New). Fines

Individuals, legal entities or organizations that commit minor (non-criminal) violations of this law will be fined for each instance as defined in a separate regulation.

Article 98 (New). Civil sanctions

Individuals, legal entities or organizations whose violation of this law cause damage to others will be responsible for making compensation of the actual amount of damage caused.

Article 99 (New). Criminal sanctions

Individuals that violate this law by committing crimes, such as the falsification or destruction of accounting documents, fraudulent acts, or abuse of their position or powers regarding accounting work will be sanctioned as defined in criminal law or other laws that define criminal sanctions, according to the seriousness of the violation.

**Part XI
Final Provisions**

Article 100. Implementation

The Government of the Lao People's Democratic Republic shall implement this law.

Article 101 (Amended). Effect

This law will be effective from the date of that the President of the Lao People's Democratic Republic issues a presidential decree to promulgate and after 15 days after it is published in the National Gazette.

This law replaces the Accounting Law No. 01/NA dated 2 July 2007.

All regulations and provisions that are contrary to this law are repealed.

The President of the National Assembly

*[seal of the President of the National Assembly]
[Signature of the President of the National Assembly]*

Pany Yathortou