



Lao People Democratic Republic  
Peace Independence Democracy Unity Prosperity

Government

No: 299/GOV  
Vientiane Capital, Dated 04/09/2019

**DECREE ON  
SMALL AND MEDIUM ENTERPRISE PROMOTION**

- Pursuant to the Law on Government, No. 04/NA, dated 08 November 2016;
- Pursuant to the Law on Small and Medium Enterprise Promotion, No. 11/NA, dated 21 December 2011;
- Based on the Letter of Proposal of the Minister of Industry and Commerce, No. 1138/MOIC. DOSMEP, dated 03 September 2019.

**THE GOVERNMENT ISSUES THE DECREE:**

**Section 1  
General Provisions**

**Article 1 Objectives**

This Decree determines principles and regulations relating to the organization, management, use and inspection of the Small and Medium Enterprise Promotion Fund in order to provide funds for promoting small and medium enterprises to be strengthened and developed with the aim of maximizing the production of goods, trade and services, income basis development, creation of primary infrastructure for industrialization and modern processes and to contribute in the national economic development and poverty reduction.

**Article 2 Small and Medium Enterprise Promotion Fund**

Small and Medium Enterprise Promotion Fund, in acronym: “ທສວ”, in English language: “**SME Fund**”, is a State financial organization under the Ministry of Industry and Commerce responsible for centrally mobilizing funds from various sources with the aim to ensure stable and consistent funds for the promotion of small and medium enterprises to be developed, strengthened and sustained.

**Article 2 Definition**

Terms used in this Decree have the following meanings:

1. **Small and Medium Enterprises** mean business units legally registered and operated under the laws of Lao PDR by considering the annual number of manpower on average, total value of assets or annual business turnover and business sectors as basis for size determination, and sorted in 3 categories: micro-enterprises, small and medium enterprises as determined by the Government from time to time;
2. **Audit Enterprises** means professional audit organizations of legal entities and organizations authorized by the Ministry of Finance and legally registered in accordance with the relevant laws and regulations.

**Article 4 State Policy on SME Fund**

State contributes initial funds in the establishment of SME Fund and provides funds pursuant to its actual capacity from time to time to ensure the realization of the implementation of the Government policies in relation to small and medium enterprises.

State utilizes SME Fund as a tool for regulating provision of credit to small and medium enterprises in accordance with State policy issued from time to time, and it does not effect the provision of credit which is currently being undertaken by commercial banks and other financial institutions.

State creates favorable conditions for SME Fund to skillfully carry out their activities in effective and efficient manner by requiring other relevant sectors and parties to facilitate and cooperate with SME in the performance of its activities, including the research, consideration, improvement of the implementation of certain articles of the laws which hindered performance of SME Fund.

State creates favorable conditions for SME Fund to mobilize funds from internal and external sources.

**Article 5 Principles of Activities of SME Fund**

SME Fund carries out its activities based on the following principles:

1. Consistency with the Constitution, laws, social and economic development plan and small and medium enterprise development plans;
2. Self-sufficient in terms of financial and operational activities;
3. Ensure effectiveness, efficiency and sustainability;
4. Ensure transparency and fairness in utilizing funds obtained from the SME Fund;
5. Obtain regular directives and guidance, monitoring and inspection and performance assessment.

**Section 2  
Objectives of Establishment  
and Use of Funds of SME Fund**

**Article 6 Objectives of Establishment of SME Fund**

Establishment of SME Fund has the following objectives:

1. To centrally mobilize funds from various sources in order to ensure stable and continuous funds to effectively promote small and medium enterprises;
2. To manage and administer the funds to be used in the provision of credit and the implementation of technical projects in order to create strength and competitive capacity for small and medium enterprises;
3. To regulate the provision of credit to create favorable conditions for small and medium enterprises to access to the sources of funds with appropriate interest and loan terms in accordance with the Government's policies issued from time to time.

**Article 7 Sources of Funds of SME Fund**

The funds of SME Fund are to comprise of:

1. Government contribution from time to time;
2. Aid grants;
3. Loans from domestic and overseas sources;
4. Voluntary contribution from individuals, legal entities and organizations;
5. Incomes from management of the SME Fund;
6. Other sources which are do not contravene the law.

**Article 8 Objective of Use of Funds of SME Fund**

The funds of the SME Fund shall be distributed to meet two objectives as follows:

1. Provision of credit to small and medium enterprises in sectors or areas of priority in accordance with the Government's policies from time to time;
2. Provision of credit to technical projects in accordance with the small and medium enterprise incentive activities as provided for in the Law on Promotion of Small and Medium Enterprises.

Funds obtained from the contribution of the Government as specified in Clause 1, Article 7 of this Decree shall be used to meet the objectives as provided for in Clause 1 of this Article in the amount of more than 91 percent, and in the technical projects of not more than 8 percent, and in the management of SME Fund of not more than 1 percent. If the Government does not make yearly continuous contribution to SME Fund, the Government will consider the provision of funds to technical projects and management as the Government deems appropriate.

Funds obtained from the sources other than the sources of the Government shall be used in accordance with the instructions of fund donors and/or in accordance with decision of Board of Directors.

**Article 9 Sectors and Incentive Areas of Priority**

The small and medium enterprises having priority of being provided with credit pursuant to the SME Fund's objectives as specified in Article 8 of this Decree are comprised of the following sectors:

1. Industrial processing of agricultural products sector;
2. Handicrafts sector;
3. Agriculture, plantation and husbandry sector;
4. Tourism sector.

The Government may revise the priority sectors from time to time on the recommendation of the Ministry of Industry and Commerce.

Priority areas of the Government are comprised of remote areas and poverty areas as determined by the Government from time to time.

### **Section 3 Provision of Credit**

#### **Article 10 Provision of Credit**

SME Fund may provide credit to small and medium enterprises in various forms as follows:

1. Provision of credit through commercial banks and other financial institutions to be used as funds for business operation of small and medium enterprises;
2. Provision of credit for rehabilitation of small and medium enterprises which have financial problems, but have production capacity and developing markets;
3. Provision of credit in the form of co-investment with small and medium enterprises having sound business action plan, but cannot access to finance due to the lack of collateral;
4. Provision of credit in the form of contribution to other funds which have conditions for providing credits to the small and medium enterprises, such as, new entrepreneurs;
5. Provision of credit in a form deemed acceptable.

Funds which are contributed by the Government as specified in Clause 1, Article 7 of this Decree are required to be provided as credit in form 1 only.

Funds which are obtained from other sources can be provided as credit in accordance with the instructions of fund donors or the decision of Board of Directors of SME Fund.

#### **Article 11 Determination of Maximum Amount and Terms of Loans**

The maximum amount of loans to be granted to the small and medium enterprises shall not exceed 70 percent of the total value of the assets of the borrowing enterprise, and the loan term shall be maximum 10 years for fixed capital and 5 years for working capital.

Small and medium enterprises that invest in the Government's areas of priority shall be considered to receive the maximum amount of loan more than 70 percent, but not over 100 percent of the total value the assets of the borrowing enterprise through consideration and decision of the Ministry of Industry and Commerce on the recommendation of Board of Directors of SME Fund.

#### **Article 12 Interest for other Commercial Banks and Financial Institutions**

Interest for other commercial banks and financial institutions is interest collected by SME Fund on the provision of credit to other commercial banks and financial institutions as credit to be provided to small and medium enterprises.

Interest for other commercial banks and financial institutions shall be implemented as follows:

1. Provision of credit using the funds obtained from the Government's contribution as specified in Clause 1, Article 7 of this Decree shall not be subject to interest;
2. Provision of credit using the funds obtained from other sources, other than Government contributions, shall comply with the instructions of the fund donors or with the decision of the Board of Directors of SME Fund as deemed appropriate.

**Article 13 Interest for Small and Medium Enterprises**

Interest for small and medium enterprises is interest that other commercial banks and financial institutions have collected from the provision of credit to small and medium enterprises.

Interest for small and medium enterprises shall be implemented as follows:

1. Provision of credit using the funds obtained from the Government's contribution as specified in Clause 1, Article 7 of this Decree shall subject to interest at the maximum rate not exceeding 3 percent;
2. Provision of credit using the funds obtained from other sources, other than Government contributions, shall be subject to interest at the rate lower than the loan interest rate on average of 5 commercial banks and at least 30% or in compliance with the instructions of fund donors and interests on the principal by determining the interest rate difference not over 3% from the principal interest received.

**Article 14 Conditions of other Commercial Banks and Financial Institutions to Receive Funds from SME Fund**

Determination of conditions of other commercial banks and financial institutions to receive funds from SME Fund shall be based on the following factors:

1. Business operation outcome;
2. Number of branches;
3. Non-performing loans.

The Board of Directors of SME Fund shall determine the details of each of the above-mentioned factors.

**Article 15 Conditions of Small and Medium Enterprises to Receive Funds**

Conditions for consideration and selection of small and medium enterprises which may receive funds provided by SME Fund as specified in Clause 1, Article 10 of this Decree shall be implemented as follows:

1. For funds contributed by the Government, the following conditions shall be met:
  - 1) Have clear and accurate business plan;

- 2) Complete training on strengthened capacity building from the industry and commerce sectors or from other sectors with similar certification;
- 3) Be enterprises that undertake accounting in accordance with the Accounting Law and have no non-performing loans with other commercial banks and financial institution;
- 4) Be sectors or areas of priority as determined by the Government from time to time and being sectors with business turnovers to ensure the sustainability of SME Fund.

Projects which shall be considered to have priority shall be those projects which have not received other credit incentives of the Government in the same period of time.

2. For funds obtained from other sources, funds shall be provided in compliance with the instructions of the fund donors or subjected to the decision of the Board of Directors of SME Fund.

#### **Section 4**

#### **Provision of Funds to Technical Projects**

##### **Article 16 Provision of Funds to Technical Projects**

SME Fund provides funds to technical projects for carrying out various activities, such as training, technical workshops, exhibitions, hiring of specialized experts, improvement or upgrade of technology, development of products and packaging, improvement of quality standards, study tours and sharing of lessons from entrepreneurs and business improvement in other fields.

Projects eligible to receive the funds shall be consistent with activities as provided for in the Law on Promotion of Small and Medium Enterprises and plans on development of small and medium enterprises issued by the Government, provinces or capitals from time to time.

Provision of funds in detail is determined in specific regulation with the approval of the Board of Directors of SME Fund.

##### **Article 17 Conditions of Provision of Funds to Technical Projects**

Projects to be considered to receive funds from SME Funds shall meet the following conditions:

1. Be projects proposed by State taskforces at central or local levels which are involved in promoting small and medium enterprises;
2. Be projects proposed by business units of small and medium enterprises, Lao National Chamber of Commerce and Industry, associations, business groups, commercial banks, and other units at central and local levels.

#### **Section 5**

#### **Finance and Accounting**

## **Article 18 Incomes and Expenditure of SME**

- A. Incomes of SME Funds are:
1. Interest on deposits;
  2. Interest on credit provided through commercial banks and other financial institutions;
  3. Incomes from credit provided by SME Fund in other forms;
- B. Expenditure of SME Funds are:
1. Provision of credit to technical promotion projects as provided for in Article 16 of this Decree;
  2. Interest and loan principal;
  3. Salaries of staff hired on contracts and hiring any specialized experts as necessary;
  4. Administrative expenditure of SME Fund, including expenditure for training and enhancement of capacity building of the staff of SME Fund and meeting allowances of members of the Board of Directors and staff of SME Fund.

The balance of income as specified in Clause A after deducting the expenditure as specified in Clause B shall be transferred into the income of SME Fund in accordance with Clause 5, Article 7 of this Decree.

The Board of Directors of SME Fund is responsible for research and determination of requirements on management of income and expenditure in detail, ensuring accuracy, in line with objectives and transparency.

For the management of income of SME Fund, it is required to open a specific account with the national treasury and with any commercial banks as consented by the Ministry of Finance.

## **Article 19 Accounting**

SME fund shall hold its accounts in accordance with the Law on Accounting.

## **Article 20 Budget for Annual Activities of SME Fund**

SME fund shall establish its annual action plan in accordance with the Law on National Budget.

Expenditure to be included in the budget plan of SME Fund shall not be over the fund amounts available in the SME Fund and fund contribution by the Government. In addition, SME Fund shall have to implement other priority projects of which specific budgets are allocated by the Government.

In the annual budget statement, the remaining balance in SME Fund shall be carried forward into the incomes of SME Fund in the following year.

## **Section 6 Management and Administration of SME Fund**

## **Article 21 Organizational Structure of SME Fund**

Organizational structure of SME Fund is comprised of:

1. Board of Directors of SME Fund;
2. Internal inspection committees;
3. Management committee of SME Fund.

**Article 22 Board of Directors of SME Fund**

The Board of Directors is the highest administrative body of SME Fund. Non-permanent administrative roles such as leading, directing, monitoring and inspecting the management and administration of SME Fund to be consistent with the Constitution, laws and small and medium enterprise development plans.

**Article 23 Personnel Structure of Board of Directors of SME Fund**

Personnel Structure of Board of Directors of SME Fund is comprised of:

1. Vice-Minister of Industry and Commerce, Chairman;
2. Director General, Ministry of Finance, Vice-Chairman and Chairman of Internal Inspection Committee;
3. Director General of Department of Small and Medium Enterprise Promotion, Ministry of Industry and Commerce, Member and Vice-Chairman of Internal Inspection Committee;
4. Director General, Bank of Lao PDR, Member;
5. Director General, Ministry of Agriculture and Forestry, Member;
6. Vice-President of Lao National Chamber of Commerce And Industry, Member and Member of Internal Inspection Committee;
7. Director of SME Fund, Member and Secretary to the Board of Directors of SME Fund.

If necessary, the Board of Directors of SME Fund may appoint permanent members of not more than 3 persons to decide key issues between the two meetings of the Board of Directors of SME Fund. All decisions of the permanent members shall be reported to the Board of Directors of SME Fund in its next meeting.

**Article 24 Appointment, Removal and Office Term of Members of Board of Directors of SME Fund**

Members of Board of Directors of SME Fund are appointed or removed by the Prime Minister based on the recommendation of the Minister of Industry and Commerce in collaboration with other relevant sectors.

Members of Board of Directors of SME Fund have an office term of 5 years which can be renewed on one occasion.

**Article 25 Rights and Duties of SME Fund**

The Board of Directors of SME Fund has the following rights and duties:

1. To determine policies and regulations on the management and activities of SME Fund;
2. To determine proportionate distribution of funds to support each objective as provided for in Article 8 of this Decree;



3. To determine interest rates on loans provided through commercial banks and other financial institutions;
4. To determine conditions of commercial banks and other financial institutions to receive the funds from SME Fund;
5. To approve regulations on providing funds to technical projects;
6. To approve reports and annual operational budget plan, annual audit results, income and expenditure plan and measures of implementation of such plan;
7. To consider and approve proposals on the appointment or removal of Deputy Directors of SME Fund on the recommendation of the Director of SME Fund.
8. To determine scope of rights of Director of SME Fund in utilizing the funds of SME Fund for each objective;
9. To take lead, encourage, monitor and inspect activities of management of SME Fund;
10. To monitor, inspect and assess the results of use of funds of the SME Fund;
11. To mobilize funds from domestic and external sources;
12. Be responsible for the achievements and deficiencies in the management and administration of the SME Fund;
13. To exercise and perform other rights and duties as provided for in the laws and regulations or as assigned.

Members of Board of Directors of SME Fund shall receive no salaries from SME Fund, but they shall receive meeting allowances and awards in accordance with the relevant regulations.

**Article 26 Meetings of Board of Directors of SME Fund**

The Board of Directors of SME Fund are to perform its activities based on the meetings which shall be hold 4 times a year. In necessary and urgent cases, an extraordinary meeting can be called at any time by the chairman of Board of Directors of SME Fund or on the request of 3 or more members of Board of Directors.

The meetings of Board of Directors of SME Fund can be opened only if the members at least 2/3 of the total number of the members of Board of Directors have attended the meeting. Resolution of the meeting of Board of Directors will be effective only if such resolution has been adopted by the majority of vote of the present members in the meeting.

**Article 27 Internal Inspection Committee**

The Internal Inspection Committee is a temporary committee comprising of 3 members, a chairman, a vice-chairman, and a member.

The Deputy-Director of SME Fund is responsible for the internal inspection activities of SME Fund and secretary to the Internal Inspection Committee of SME Fund.

**Article 28 Rights and Duties of Internal Inspection Committee**

The rights and duties of Internal Inspection Committee are as follows:

1. To oversee implementation of the laws and regulations;
2. To ensure correctness of financial reports;
3. To oversee effectiveness of business operation;

4. To oversee implementation of activities of the internal inspection taskforces of SME Fund;
5. To attend and report its findings in meetings of SME Fund;
6. To exercise and perform other rights and duties as assigned by the Board of Directors of SME Fund.

**Article 29 Personnel Structure of SME Fund**

The personnel structure of SME Fund is comprised of a Director, certain number of the Deputy Directors of SME Fund, heads of sectors, technical staff, staff hired by contracts and specialized experts.

The Director of SME Fund has a position equivalent to position of Deputy Director General, the Deputy Director of SME Fund has a position equivalent to position of Director of Division, the heads of sectors have a position equivalent to position of Deputy Director of Divisions.

**Article 30 Appointment of Personnel of SME Fund**

The Director of SME Fund is appointed or removed by the Prime Minister based on the recommendation of the Director General of Department of Organization and Personnel.

The Deputy Director of SME Fund and heads of sectors are appointed or removed by the Minister of Industry and Commerce on decision of Board of Directors of SME Fund based on the recommendation of the Director of SME Fund.

**Article 31 Standards and Requirements of Director of SME Fund**

The Director of SME Fund shall have the following standards and requirements:

1. Hold the position of Deputy Director General;
2. Hold an educational qualification of a bachelor's degree in economic, financial-banking, business management, law, accounting or auditing sectors;
3. Have at least 5 years' experience leading or managing officers.

**Article 32 Rights and Duties of Director of SME Fund**

The Director of SME Fund has the following rights and duties:

1. To be responsible before the Board of Directors of SME Fund in managing the daily activities of SME Fund in accordance with the policies, resolutions of Board of Directors of SME Fund and relevant laws;
2. To prepare annual reports and business action plan, income and expenditure plan to be submitted to the Board of Directors of SME Fund for consideration and approval;
3. To research interest rates on loans provided through commercial banks and other financial institutions;
4. To research conditions of commercial banks and other financial institutions eligible to receive the funds from SME Fund;
5. To research and draft regulations on provision of funds to technical projects;

6. To research and draft regulations on the management of SME Fund to be submitted to the Board of Directors of SME Fund for consideration and approval;
7. To mobilize funds from domestic and external sources;
8. To consider and authorize use of funds of SME Fund to be in line with the objectives and scope of rights as determined by Board of Directors of SME Fund;
9. To appoint or remove Deputy Directors and heads of sectors of SME Fund;
10. To recruit, select and transfer personnel in the job positions within SME Fund in accordance with the positions and numbers authorized by the Board of Directors of SME Fund;
11. To select and hire specialized experts and consultants to perform any specific duties as deemed necessary and as consented by the Board of Directors of SME Fund;
12. To liaise and cooperate with any organizations and development partners on activities of SME Fund;
13. To summarize and report the performance of activities of SME Fund to the Board of Directors of SME Fund on a quarterly basis;
14. To exercise and perform other rights and duties as assigned by the Board of Directors of SME Fund.

## **Section 7**

### **Auditing and Reporting**

#### **Article 33 Internal and External Auditing**

All activities of SME Fund, namely, accounting, financial reporting, procurement and contracts assigning rights to banks shall be regularly subject to internal auditing in accordance with the regulation on SME Fund Management and to annual auditing by the State audit organization or by audit enterprises on recommendation of SME Fund in accordance with the relevant laws and regulations.

#### **Article 34 Inspection of SME Fund**

Inspection of SME Fund is defined as follows:

1. Regular inspection means inspection of the internal inspection committee which is regularly conducted based on the results of the internal audit;
2. Ad hoc inspection means Government's inspection of all activities of SME Fund as necessary.

If the results of the regular or ad hoc inspections are inconsistent with this Decree, the Board of Directors of SME Fund shall resolve the matter effectively and efficiently in accordance with the scope of its rights and duties.

#### **Article 35 Reporting**

SME Fund shall submit quarterly reports on the performance of activities, annual reports on all sources of incomes and expenditure, and auditing reports to the Ministry of Industry and Commerce, Ministry of Finance and Government.

## **Section 8**

### **Responsibilities of relevant Ministries and Organizations**

#### **Article 36 Responsibilities of Ministry of Industry and Commerce**

In managing SME Fund, Ministry of Industry and Commerce has the following rights and duties:

1. To research, consider and approve policies, legislation and measures relating to the management of SME Fund to be submitted to the Government for decision;
2. To collaborate with relevant sectors and local authorities for determining sectors and areas of priority for promotion to be submitted to the Government for decision;
3. To submit annual action plans and budget plan adopted by the Board of Directors of SME Fund for consideration to include the same in the annual budget plans;
4. To propose the Government to consider the provision of additional budget, loans and grant-aids from overseas to SME Fund as required from time to time;
5. To research and propose the Government to consider the priority projects requesting for provision of credit more than 70%, but not over 100% of the total value of assets of the borrowing enterprises;
6. To research and propose the Prime Minister to appoint or remove members of the Board of Directors of SME Fund;
7. To appoint or remove the Director or Deputy Directors of SME Fund and heads of sectors;
8. To publish, disseminate policies, legislation and measures relating to the management of SME Fund thoroughly to both relevant public and private sectors;
9. To provide consultation, trainings and technical assistance to the small and medium enterprises;
10. To collaborate with the Ministry of Finance and Bank of Lao PDR for giving directives on activities of SME Fund;
11. To approve and submit the summaries and reports on the performance of activities of SME Fund to the Government on regular basis;
12. To exercise and perform other rights and duties as provided for in the relevant laws.

#### **Article 37 Responsibilities of Ministry of Finance**

In managing SME Fund, Ministry of Finance has the following rights and duties:

1. To allocate budgets to SME Fund as agreed by the Government from time to time;
2. To facilitate SME Fund to access to potential sources of funds;
3. To follow up and instruct on the regulation on the use of funds of SME Fund;
4. To research regulations necessary to facilitate the performance of activities of SME Fund;
5. To mobilize funds from domestic and foreign sources in order to increase funds for SME Fund as deemed appropriate;
6. To negotiate and enter in agreements with international organizations, financial institutions, and foreign countries on financial cooperation in order to finance SME Fund.

**Article 38 Responsibilities of Bank of Lao PDR**

In managing SME Fund, Bank of Lao PDR has the following rights and duties:

1. To research regulations and conditions in connection with the roles of Bank of Lao PDR for promoting small and medium enterprises to access to more sources of funds;
2. To provide consultation and opinions to SME Fund on the determination of policies, mechanism and regulations relating to credit for promoting small and medium enterprises of SME Fund.

**Article 39 Responsibilities of other relevant Ministries and Organizations**

Other relevant ministries and organizations shall facilitate the performance of activities, fund mobilization, provision of information and cooperation in all aspects at the request of SME Fund.

Ministries and sectors including the Government's priority sectors shall have duties to build technical strength and competitive capacity in small and medium enterprises of the sectors under their responsibility.

**Article 40 Responsibilities of other Commercial Banks and Financial Institutions**

Other commercial banks and financial institutions have the following rights and duties:

1. To consider the provision loans to small and medium enterprises in accordance with the conditions as provided for in Article 15 of this Decree without any further conditions, except for instructions of the fund donors, and to treat all small and medium enterprises in equal footing;
2. To assess and grant loans strictly in compliance with the procedure of the banks;
3. To follow up and audit use of funds of the small and medium enterprises to be in accordance with SME Fund's objectives;
4. To ensure SME Fund funds are not utilized for making further deposits or payments for other purposes other than providing loans to the small and medium enterprises;

5. To properly and fully repay the principal together with interest to SME Fund on due dates as specified in the contracts entered into with SME Fund;
6. To summarize and report the use of fund to SME Fund on a quarterly basis;
7. To send annual financial and auditing reports to SME Fund;
8. To contribute in providing consultation and trainings to build strength and capacity of small and medium enterprises borrowing funds of SME Fund from the banks;
9. To contribute in disseminating data and information on the sources of funds of SME Fund to small and medium enterprises thoroughly.

**Article 41 Responsibilities of Small and Medium Enterprises**

Small and medium enterprises have the following rights and duties:

1. To use loans and funds of technical projects to be consistent with SME Fund's objectives and agreements signed with the commercial banks and other financial institutions and SME Fund;
2. To fully and strictly perform obligations in accordance with the agreements signed with the commercial banks and other financial institutions and SME Fund;
3. To provide complete, correct and reliable information and documents relating to loans, use of the funds of SME Fund to commercial banks and other financial institutions on time;
4. To provide complete, correct and reliable information and documents relating to use of funds of SME Fund's technical projects to SME Fund on time;
5. To comply with the laws and standards of environmental and social protection of Lao PDR.

**Article 42 Responsibilities of Recipients of Technical Projects**

Recipients of funds of the technical projects as specified in Article 17 of this Decree have the following rights and duties:

1. To use the funds of technical projects to be consistent with the objectives and agreements signed with SME Fund;
2. To fully and strictly perform obligations as specified in the agreements signed with SME Fund;
3. To provide complete, correct, and reliable information, reports on performance of activities and use of funds relating to the funds of technical projects of SME Fund on time.

**Section 9  
Final Provisions**

**Article 43 Logo and Seal**

SME Fund has its own logo and seal to be used in official performance of activities.

**Article 44 Implementation**

To assign the Ministry of Industry and Commerce to be the principal in collaborating with the Ministry of Finance and Bank of Lao PDR and other relevant sector to implement this Decree.

Ministries, organizations, and local administrations shall recognize, provide cooperation, and strictly implement this Decree.

**Article 45 Effectiveness**

This Decree is effective from the signing date and fifteen days following the its publication in the Official Gazette.

This Decree replaces the Decree on Promotion and Development of Small and Medium Enterprises, No. 123/PM, dated 3 March 2010.

Government of Lao PDR  
Prime Minister,

[Signature & Seal]

Thongloun Sisoulith