



# ປຶ້ມຄູ່ມືການບໍລິການ ການລົງທຶນປະຕູດຽວ

## One Stop Service Guidebook

ກະຊວງແຜນການ ແລະ ການລົງທຶນ

ກົມສົ່ງເສີມການລົງທຶນ

Ministry of Planning and Investment

Investment Promotion Department

**Coordination, Effectiveness, Transparency, People-  
Orientation, One-Stop Service**

ປຶ້ມຄູ່ມືການບໍລິການ

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## ABBREVIATION

AF	Agriculture and Forestry
MoF	Ministry of Finance
IPD	Investment Promotion Department
TD	Tax Department
MoNRE	Ministry of Natural Resource and Environment
DoC	Customs Department
IED	Immigration and Emigration Department
SEZ	Special Economic Zone and Specific Economic Zone
LNCSEZM	Lao National Committee for Special Economic Zone and Specific Economic Zone Management.
FMD	Foreigner Management Department
CIP	Committee for Investment Promotion
PWT	Public Work and Transportation
MoFA	Ministry of Foreign Affairs
VTE	Vientiane Capital
HCC	Housing Construction Company
HSDC	Housing Survey-Design Company
PS	Public Security
PI	Planning and Investment
EM	Energy and Mine
SDE	Skill Development and Employment
OSS	One-Stop Service
GO	Government office
OWD	Official Working Day
IC	Industry and Commerce
OER	Office of Enterprise Registrar
LSW	Labour and Social Welfare

## Preface



In order to implement the Government policy in promoting and attracting the investments from private sectors in the social-economic development of the country, on 10th October 2011, Ministry of Planning and Investment has established an One-Stop Service in line with the Investment Promotion Law 2009, with focuses on providing investments in the Lao PDR with more facility, transparency, and agility, as the investment from private sectors is an important task for the national social-economic growth and development. It can bring capitals, modern technologies, technical knowledge and wider market

approaches into Laos. The One-Stop Service is also the institute which provides all-round services and facilities to the investors with information, consideration and approval processes of investment projects, issuance of concession registration certificate and other investment notices.

The purpose of producing this One-Stop Service Guidebook is to provide a tool to help investors, technical officers, both of state and private parties, to have full access to the investment regulations and can be unanimously implemented all over the country.

Ministry of Planning and Investment deeply hope that this One-Stop Service Guidebook will be useful for all people and for its future improvement. We sincerely appreciate your comments and criticisms.

Minister of Planning and Investment

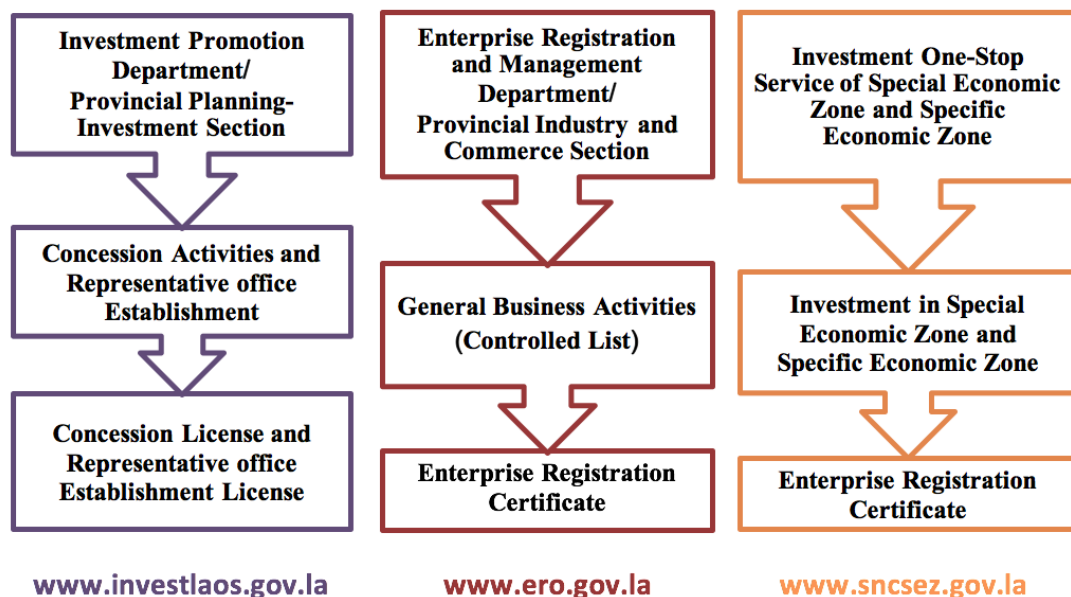
# Part I Principle of One-Stop Service

## 1. One-Stop Service

One-Stop Service is the service that provides all-round facilities to investors with information, investment consideration, issuance of enterprise registration certificate or concession registration certificate and issuance of investment notices.

**One-Stop Service (OSS) has been established in 3 following points:**

1. Planning and Investment Sector considers and approve, and provide services for Investments in Concession activities.
2. Industry and Commerce Sector considers and approve, and provide services for Investments in general activities.
3. Special Economic Zone and Specific Economic Zone for Investments in those zones.





## **2. Committee for Investment Promotion “CIP”**

Its duty is to promote and facilitate domestic and foreign investments, organize meetings to consider the investment work, research, report, consider, approve or refuse application for investment, amendment, transfer of shares, renewal, improvement, change, cease or cancellation of investment activities or Memorandum of Understanding (MOU), Project Development Agreement (PDA) and Concession Agreement (CA) and others (Article 23: Rights and Duties of CIP in implementing Investment Promotion Law No. 119/PM).

### **1. Committee for Investment Promotion at central level**

Committee for Investment Promotion, abbreviated to: “CIP” is established to promote and facilitate the work related to domestic and foreign investments in Lao PDR. It consists of Deputy Ministers, Director-General and Deputy Director General, Chief-Vice Chief of Section and technical officers from concerned ministries appointed by the Prime Minister. The Chair of the central CIP is the Minister of Planning and Investment and the Vice Chair is the Deputy Minister of Planning and Investment who supervises investment work. The Prime Minister has issued the Agreement on the Appointment of Committee for Investment Promotion at central level No. 30/PM, dated 29/02/2012.

### **2. Committee for Investment Promotion at local levels**

Committee for Investment Promotion at local levels consists of Head/Section Committee and technical officers from concerned provincial sections appointed by provincial governors. CIP at local levels is presided by provincial governors, Major and vice-presided by provincial vice-governors, Vice Major directing economic work.

OSS at central level is located in the Investment Promotion Department, Ministry of Planning and Investment and OSS at local levels is located in the municipal-provincial Planning and Investment Section. It has its functions as a secretary of the Committee for Investment Promotion (CIP) at central and local levels.

## **3. Principles and Mechanisms for organizing and implementing One-Stop Service**

### **3.1. Principles of One-Stop Service are as follows:**

1. Investors get the answers from where they propose to invest in. Answers for investors must follow the time frame determined in the announcement of One-Stop Service;
2. Application for investment can be made by the investors themselves or via legal agents;
3. The services must assure the information and problem-solving provided to investors;

4. Levies and service fees must be openly declared and adhered at the location providing One-Stop Service;
5. Services must follow the regulations, be methodical, concise, adroit, inventive, transparent, open and accountable;
6. Agreement in investment problems must be carried out in the meeting of One-Stop Service;

### **3.2. Implementing Mechanisms of Investment One Stop Service**

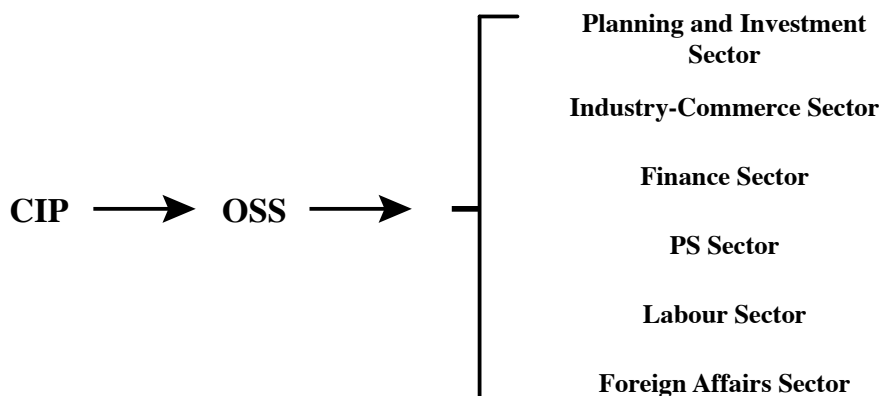
One-Stop Service must hold the weekly meeting with appointed representatives from concerned sectors and localities in order to study to investment issues, by submitting documents to the representatives in advance in order to get comments from their leading levels before joining the meeting.

Concerned sectors and localities appoint their investment coordinators to liaise with all concerned parties on the investments, mainly in transferring required information and data about their sectors and localities to One-Stop Service in order to provide information to the investors.

## **4. Structure of One-Stop Service**

One-Stop Service consists of 6 main sectors: Planning and Investment Sector, Industry and Commerce Sector, Finance Sector, Public Security Sector, Labour and Social Welfare Sector and Foreign Affairs Sector.

### **Structure of One-Stop Service**



## 5. Functions of OSS Representatives

### 5.1. Planning and Investment Sector (Investment Promotion Department, Ministry of PI):

- One-Stop Service is responsible for the registry work of the department, copy documents, summarize and follow up the department's documents;
- Verify the correctness of the documents and receive documents of investors (Application for investment, Application for changing legal status and Application for visas-work permit cards, identity card of foreign investors and experts);
- Prepare the readiness in organizing CIP's meetings (issue letter of invitation, make meeting minutes and submit the meeting resolutions to concerned parties);
- Issue the stamp making certificate to concession businesses and representative offices;
- Communicate for enterprise name reservations, enterprise registration codes, tax identity numbers, then submit to Project Study and Analysis Section, Investment Promotion Department for the issuance of concession registration certificate;
- Make referral letters or requests for concerned sectors' official comments;
- Submit the investment request documents to sections of Investment Promotion Department to study and prepare a report of proposal for CIP in accordance with the stipulated Rights and Duties;
- Collect, summarize and provide investment information (with the coordination and information providing from concerned sections of the department and other concerned sectors);
- Welcome guests who come for documentation at One-Stop Servicer and guests who are interested in the investments;
- Explain and advise how to prepare forms;
- Facilitate the investors in liaising with officers and other working units on investors' proposal;
- Hand over a responding letter to the investors, hand over the concession paper, hand over the representative office registration certificate and other documents;
- Provide advice, suggestion, compilation and propose higher authority about the investors' frustration on the policy, regulations and the functions of concerned sectors;
- Play other roles as appointed by its sector;

## **5.2. Industry and Commerce Sector**

- Act as the sector's coordinator in requesting for the code of enterprise registration;
- Provide information service, explain about the information in relation to its sector;
- Has right to participate in CIP's meetings, share comments on behalf of its sector;
- Provide legal information in relations to its sector to OSS;
- Play other roles as appointed by its sector;

## **5.3. Financial sector**

- Act as the sector's coordinator in requesting for the tax identity number;
- Provide information service, explain about the information in relation to its sector;
- Has right to participate in CIP's meetings, share comments on behalf of its sector;
- Provide legal information in relations to its sector to OSS;
- Play other roles as appointed by its sector;

## **5.4. Foreign affairs sector**

- Act as the sector's coordinator in requesting for the visa issuance to foreign investors and technicians;
- Provide information service, explain about the information in relation to its sector;
- Has right to participate in CIP's meetings, share comments on behalf of its sector;
- Provide legal information in relations to its sector to OSS;
- Play other roles as appointed by its sector;

## **5.5. Public Security Sector (PS)**

- Act as the sector's coordinator in inspecting the history of the investors and stay permit card issuance for foreign investors;
- Liaise with its sector in making stamps;
- Provide information service, explain about the information in relation to its sector;
- Has right to participate in CIP's meetings, share comments on behalf of its sector;
- Provide legal information in relations to its sector to OSS;

- Play other roles as appointed by its sector;

#### **5.6. Labour and Social Welfare Sector**

- Act as the sector's coordinator on labour import quota and work permit issuance to foreign technicians;
- Provide information service, explain about the information in relation to its sector;
- Has right to participate in CIP's meetings, share comments on behalf of its sector;
- Provide legal information in relations to its sector to OSS;
- Play other roles as appointed by its sector;

# Part II Investment Outline and Investment Activities

## 2.1. Investment Outline

**Law has stipulated the investment in 3 forms**

- Sole investment of domestic and foreign investors.
- Partnership investment between domestic and foreign investors (stockholding of the foreign investors must not be less than 10% of the registered fund).
- Business cooperation by contract is a joint investment between domestic legal entity of Lao PDR and foreign legal entity determined in the contract without establishing a new legal entity or branch in Lao PDR.

## 2.2. Investment Activities

**Investment activity consists of 3 following types:**

- Concession activities.
- General activities.
- Development activities in Special Economic Zone and Specific Economic Zone (SEZ).

### 2.2.1. Investments in concession activities

- Concession activities are activities approved by the Government to use rights of proprietorship and other regular government rights business development and operation, e.g.: rights in land concessions, minerals, hydro-powers, tactical activities: airlines, telecommunications, insurances, financial institutes.
- Planning and Investment sector considers the concession activities under the Investment Promotion Law.
- Procedures in considering the concession activities depend on type of activity whether existed in the investment list or not.
- Persons requesting the concession must be legal entity only.
- Concession registration certificate includes approval of investment, Promotion Policy, enterprise code and tax identity number.

### 2.2.2. Investments in general activities

- General activities are investment activities in general investment sectors including activities under the controlled list (Negative List) and outside the controlled list (Non Negative List), but not considered as concession activities.
- Industry and Commerce Sectors consider the issuance of enterprise registration

certificate in accordance with the procedures stipulated in Enterprise Law.

- Non-negative list investment activities can be issued with enterprise registration certificate in 10 official working days.
- Negative list investment activities can be issued with enterprise registration certificate in 13 official working days.
- Enterprise registration certificate includes the investment approval, promotion policy and tax identity number.

### **2.2.3. Special Economic Zone and Specific Economic Zone (SEZ):**

- Government stipulates and certifies the development in Special Economic Zone and Specific Economic Zone (SEZ) and the proposal for investment must be of the target.
- SEZ consists of:
  - Industry zone
  - Production for export zone
  - Tourism zone
  - Trade zone / boundary trade zone
  - Duty free zone
  - IT development Zone

**Remarks:** The application for investment in SEZ has 2 following aspects:

1. **Zone developer:** can apply for an investment approval at secretary office of Lao National Committee Special Economic Zone and Specific Economic Zone Management “CSEZ”, with the following documents:
  1. Master Plan with development purposes in SEZ.
  2. Report of technical-economic analysis.
  3. Report of environmental impact.
  4. Draft of agreement.
  5. Financial status.
2. **Investors in SEZ:** is the investment in the existing SEZ, investors can apply for the investment approval with SEZ Administrator of their targeted investment zone.

## Part III Investment Services in Concession Activities by Planning and Investment Sector

### 3.1. Scope of One-Stop Service

1. Provide service on investment requests in concession activities determined in Article 15 of Investment Promotion Law 2009 i.e. Investments in electricity activities, mines, activities relating to rights in land concession, airlines, telecommunications, insurances and financial institutes.
2. Provide service on the application for establishing a representative office of foreign company.
3. Provide service on business visa, multiple-entry visa and stay permit card requests.
4. Provide service on the application for the change in enterprise legislations in concession activities.
5. Provide relevant investment information services, i.e. investment statistical data, investment regulations and others in relations to the office's rights and roles.
6. Provide service on the draft for stamp making certificate for the concession enterprise and representative office.
7. Provide service on enterprise name reservation, enterprise registration certificate code, tax identity number and submit to responsible sections in the department for concession registration certificate issuance.
8. Provide service on corresponding letters for investors, hand over the concession certificate, hand over the representative office certificate and other documents.
9. Other services.

### 3.2. Definition of State-owned Land Concession in the form of land rental or land concession.

- **Land rental:** is an approval for organization, persons or legal entity to have rights in using state-owned land under the conditions and time frame with legitimate binding agreement.
- **Land concession:** is an approval for persons or legal entity to have rights in using state-owned land under the conditions and time frame with legitimate binding agreement.



- **State-owned land rental and concession consists of 2 forms:**

1. Rental and concession in the form of providing services is the government authorizes its counterpart to operate activities on a service of, i.e. electricity, water supply, construction, telecommunication, public park, school, hospital, market, child's playground, bus station, commodity transportation terminal, health fitness centre and others.
2. Commercial concession form (production) i.e. tree plantation land, agriculture land, hydro-power land, mineral land another land types in accordance with the government allocation for business operations in line with relevant laws.

Land concessionaires in relations with the use of natural resources, besides paying the concession fee, they must pay for the resources, taxes, customs, and other levies mas stipulated in the law and/or as per the contractual terms.

- **Conditions of state-owned land concession for agricultural and forestry activities**

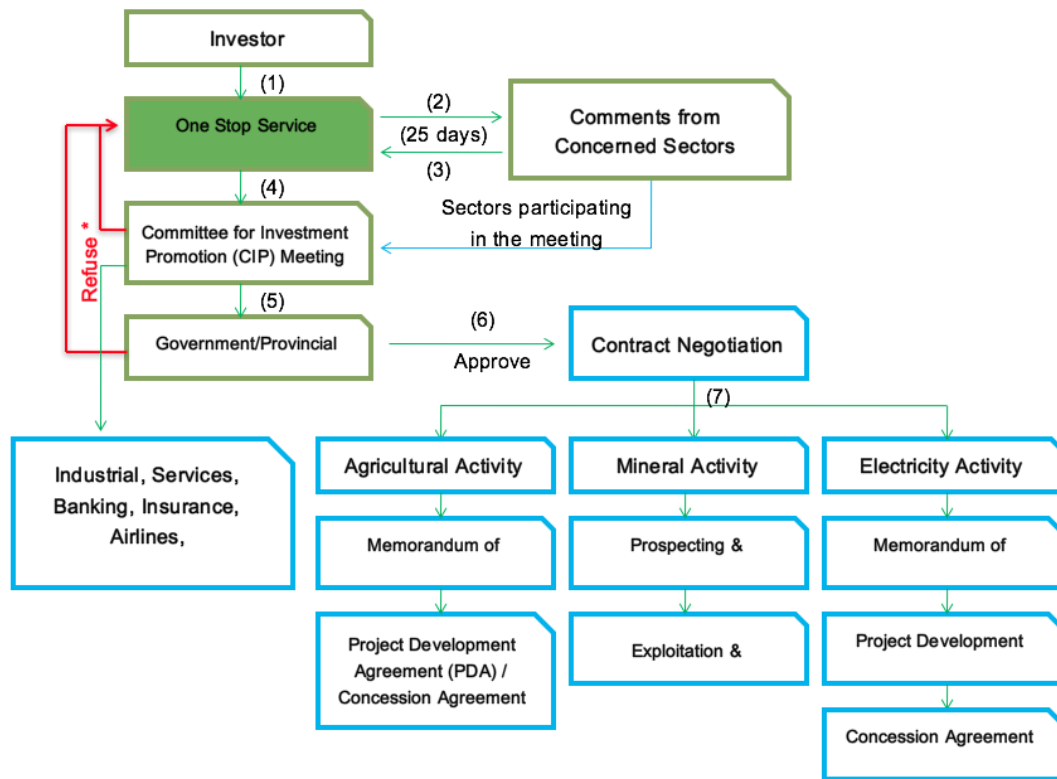
Land concession for economic cultivation, forest rehabilitation, reforestation, industrial tree plantation, economic trees, non-timber forest products must be implemented in line with terms and conditions stipulated in Article 74 of Forest Law 2007.

- **Time frame of state-owned land rental and concession**

1. Short-term rental (maximum not more than 5 year and renewable);
2. Medium-term rental and concession (5 - 10 years and renewable);
3. Long-term rental and concession (10 years and above);

The approving procedures in concession activity investments are of the roles and responsibilities of Planning and Investment Sector as determined in Article 15 (Concession activities) of newly amended Investment Promotion Law 2009, mainly the rights in land concession, minerals, hydro-powers, airlines, telecommunications, insurances and financial institutes, with the agreement from concerned sectors under the general investment approving processes as follows:

## Investment approving procedures in concession of agricultural activities in connection with land, mines and electricity



1. Investors (domestic or foreign legal entity) submitted the request to OSS of Planning and Investment Sector;
2. OSS makes a referral to request comments from concerned sectors;
3. Concerned sectors make comments and submit to OSS (within 25 official working days);
4. OSS prepares CIP meeting, technicians report projects requesting approval or refusal in the Committee for Investment Promotion (CIP) meeting. Representatives from concerned sectors will participate in CIP meeting to share comments in projects.
5. In case CIP meeting agrees, the report will be submitted to Government for consideration, \*projects not being agreed will be refused.
6. In case the meeting of Government or provincial authority agrees, there will be an announcement for negotiation of MOU or contract in the coming steps,

depending on type of each project.

\*if a project is not agreed, it will be refused.

7. **Agriculture activities in connection with land concession:** The steps are initial the signing of MOU, then the signing of Project Development Agreement (PDA)/or the signing of Concession Agreement (CA).

**Mineral activities:** The steps are the same as the steps of contract signing for searching and exploration, then contract signing for Exploitation and processing.

**Electricity activities:** The initial step is the signing of MOU, then the signing of Project Development Agreement (PDA) and the last step is the signing of Concession Agreement (CA).

- **Negotiation of Contract or MOU:**

- Must notice the investors within 2 official working days from the date receiving the announcement of agreement in order for the investors to come into the negotiation of MOU or contract.
- After being announced, the investors must inform PI Sector of date and time for negotiation within 10 official working days, if exceeding the stated date and time or if the investors do not come for negotiation within official working days from the date of notice announcement, it will be assumed that the investors renounce the rights in the investments.

**Remarks: Conditions of entering into the agreement of each concession activity will be stipulated in MOU or exploration contract.**

### **3.3. Application for land investment/land concession in agricultural activities.**

#### **A. The application for approval for studying the project possibility and application for signing Memorandum of Understanding (MOU).**

The investors with business operation objectives in agriculture activities and with government's land concession requirement must request the approval for primary data collection from agriculture sector or PI sector, then coordinate with concerned sectors at local levels. After having the primary data on land area and project location, the investors can submit the investment request to PI sector at central or local levels to request the approval in signing MOU with the Government for detailed exploration in the land area, with the agreement from concerned sectors, mainly from Natural Resource and Environment Sector and Agriculture and Forestry Sector.

Investors must submit the request to PI sector at central or local levels in accordance with the following decentralization:

No.	To be considered by central levels	To be considered by provincial, municipal levels
1	Land concession for growing of non-perennial crops and food crops	Land concession for growing of non-perennial crops and food crops
2	Land concession for cattle farming: cows, buffaloes and others	Land concession for cattle farming: cows, buffaloes and others
3	Land concession for plantation of fruit trees and perennial plants, industrial plants (Acacia auriculiformis, eucalyptus)	Land concession for plantation of fruit trees and perennial plants, industrial plants (Acacia auriculiformis, eucalyptus)
4	Land concession for plantation of economic plants (sugarcane, corn....)	Land concession for special plants cultivation (sunflower plants, herbal plants)
5	Land concession for plantation of non-timber forest products and herbal plants	Land concession for plantation of non-timber forest products and herbal plants
6	Land concession for farming of poultry, small animals, i.e.: goats, sheep and others	Land concession for farming of poultry, small animals, i.e.: goats, sheep and others
7	Land concession for farming of aquatic animals, wild animals	Land concession for farming of aquatic animals, wild animals

Based on Decree No. 135/PM, dated 25/05/2009 on the lease or concession of Government lands, Article 28 on the lease or concession approval of degraded forestland for agricultural and tree plantation activities, and Article 29 on the concession approval of barren forestland for agricultural and tree plantation activities as follows:

**Local levels:**

- Degraded forestland of not more than 150 hectares per 1 project, with a maximum lease or concession period not more than 30 years with extensibility depending on case by case.
- Barren forestland of not more than 500 hectares per 1 project, with a maximum lease or concession period not more than 30 years with extensibility depending on case by case.

**Central levels:**

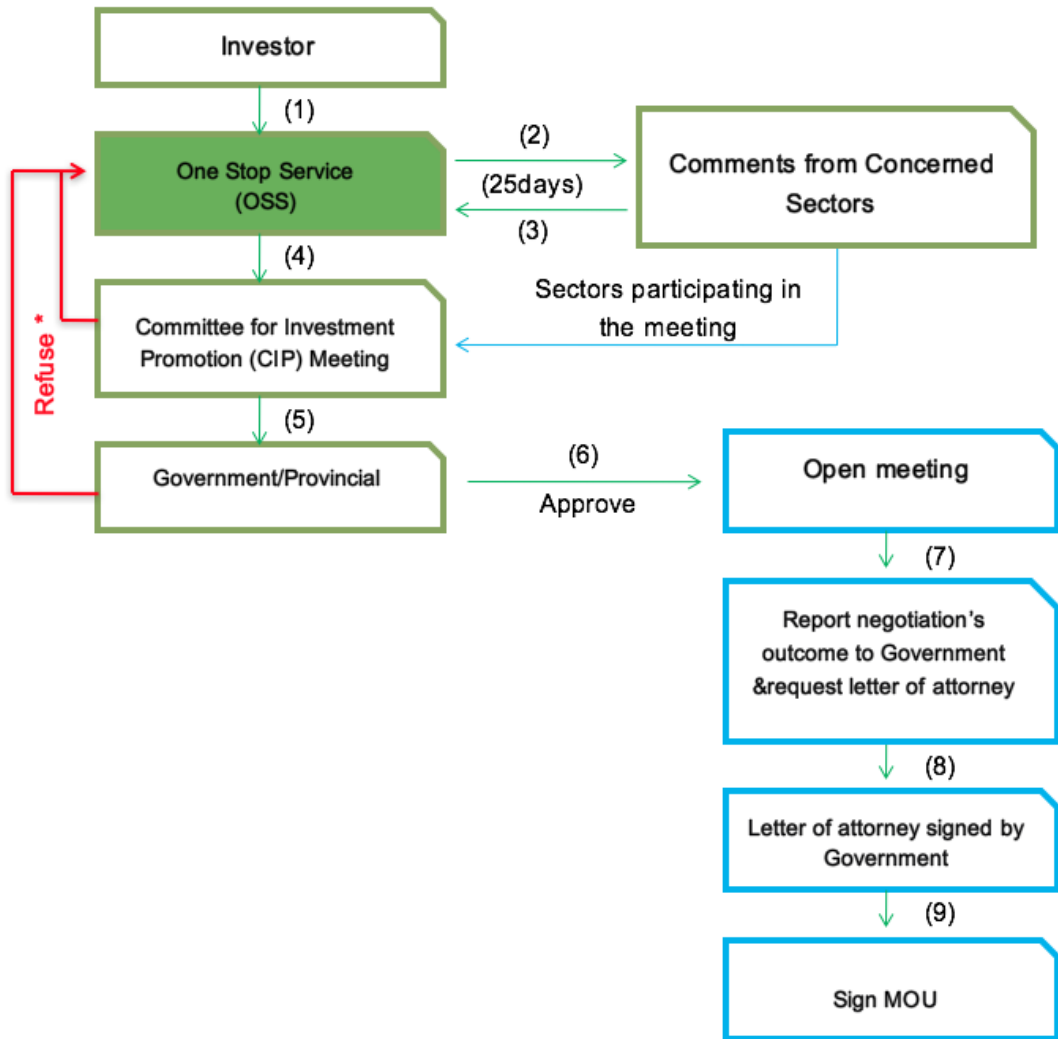
- Degraded forestland of between 150 – 15,000 hectares per 1 project, with a maximum lease or concession period more than 30 years, but not more than 40 years, with extensibility depending on case by case.
- Barren forestland of between 500 – 30,000 hectares per 1 project, with a

maximum lease or concession period more than 40, but not more than 60 years, with extensibility depending on case by case.

- **Complementary documents required for the request submission**
  1. Applications for investment in printed form of general concession projects (agriculture sector).
  2. Brief proposal about the project development, certified by the President or Director-General of the company (or attorney).
  3. History-experiences of company, license or business registration certificate of company.
  4. General business agreement (in case there are two or more companies).
  5. Power of Attorney for the representative of stockholders or company, in case the person is not in the top position of the company.
  6. Map of project location;
  7. Supporting letter from financial institutes or banks (if any).
  8. Other related documents (if any).

The application must be submitted in 6 sets and investors keep 1 copy of investment application as the evidence.

**Processes for considering the approval requests of possibility study in agricultural development project or an application for signing MOU**



(Signing MOU will not require concession registration certificate)

- **Functional scope of investors to implement in the MOU in general consists of:**
  1. The study of social-economic data, natural suitability, for instance: soil, climate, altitude, rainfall, water source, land use rights, local labour, exploration of forest conditions and forest resources and others as necessary;
  2. Create economic-technical analysis (Feasibility Study “FS”), then

request the legalization from Planning Department, Ministry of Agriculture and Forestry (Planning Department will act as the coordinator of concerned departments of its Ministry, for example, Forestry Department, Agriculture Department, Land Department and other concerned departments for comments and resolution in legalizing the economic-technical analysis). At local levels, it is the Provincial or municipal Agriculture and Forestry Section;

3. Create a report of Environment and Social Impact Assessment “ESIA” or Initial Environment Examination “IEE” including suitable solution standards, then request the legalization from National Resource and Environment Sector;
4. Create Environment Management and Monitoring Plan “EMMP” or Social Management and Monitoring Plan “SMMP” in the operational plan, focusing on the protection of water sources and environment, area exploration, village development, people’s involving promotion in the production, technology utilization and others through benefit sharing;

- **Deposit of MOU’s warranties:**

After signing the MOU, the investors shall deposit warranties at the PI sector at central or provincial levels, then, the sector will issue the certificate to the investors.

The value of the warranties is classified as per the area size of land concession as follows:

<b>Area of land concession</b>	<b>Warranties</b>
2 - 150 hectares	30.000 US dollars
151 - 1.000 hectares	50.000 US dollars
1.000 hectares and above	70.000 US dollars

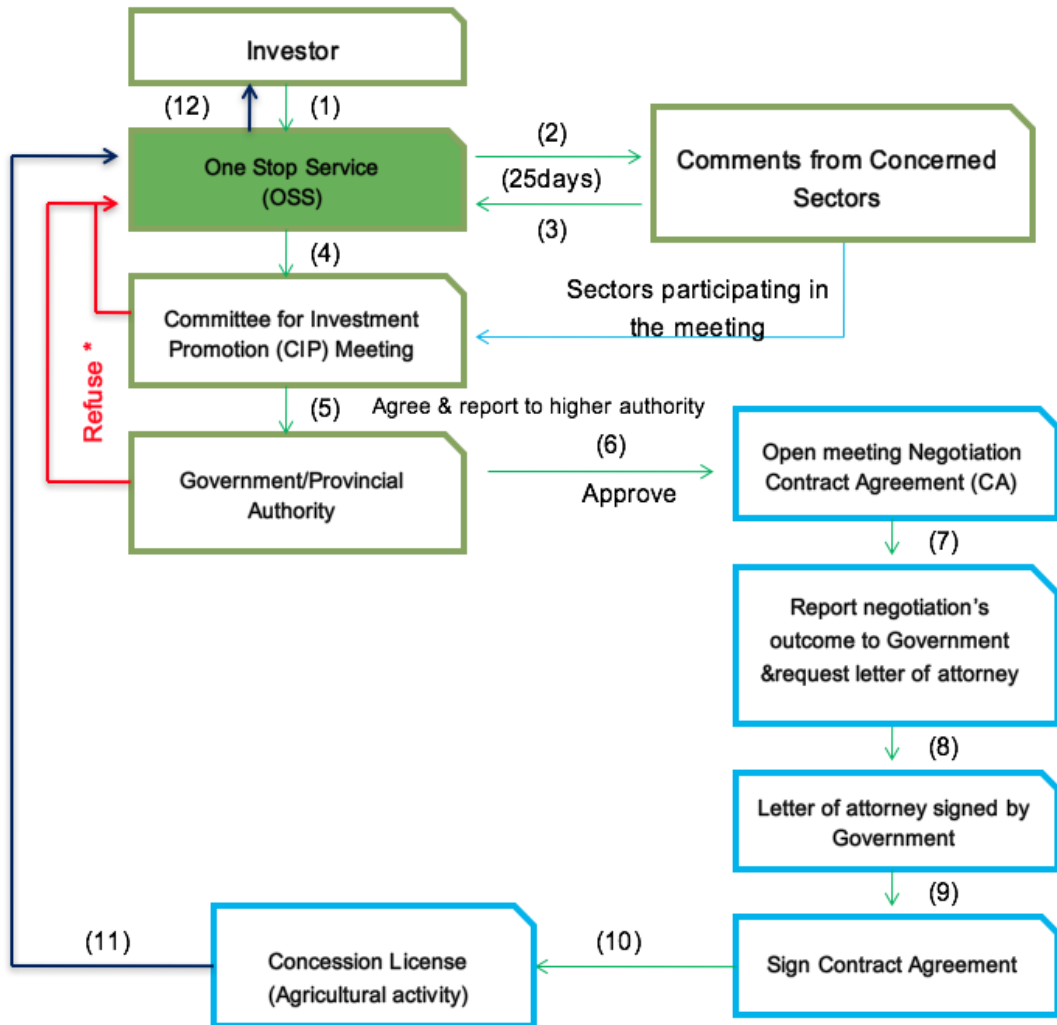
**B. Project Development Agreement “PDA”/Concession Agreement “CA”**

After signing the MOU and exploring clearly the land area, as well as legalizing the economic-technical analysis, report of Environment and Social Impact Assessment (ESIA) or Initial Environment Examination (IEE) through the procedural regulations of agriculture–forestry sector and natural resource and environment sector, the investors can submit to the PI sector to apply for the development or activity operation steps by signing Project Development Agreement (PDA)/Concession Agreement (CA) with the Government.

After signing PDA/CA with Government, domestic or foreign investors must establish the Project Company to operate the activities or to organize and implement PDA /CA,

whose concession registration certificate will be issued by Planning and Investment sector. After that, the investors can organize and operate the project in line with the **feasibility study** and regulations of Lao PDR.

**Processes for considering the approval requests and issuing concession registration certificate (agricultural activities)**



**3.4. Application for Investment in Mineral Activities.**

**A. Procedures of exploration.**

- Investors (legal entity) whose objectives are to operate the mineral business must request the approval for primary data collection of any minerals from natural resource and environment sector (by submitting the request to Geology



Department, MoNRE or provincial Natural Resource and Environment Sector);

- The primary data collection will be conducted in the office and at the site to study the mineral appearance locations, environment and collect the surface sample for analysis (and that the record of the primary data collection and the report of primary mineral data collection will be made);
- After the primary data collection, if sufficient data are found, the domestic and foreign investors who have objectives to operate the mineral business (concession for mineral finding and exploration) must submit their request to Planning and Investment Sector for consideration in accordance with the procedures stipulated in Investment Promotion Law.

The investors must submit their request to PI Sector at central levels or local levels in accordance with the decentralization as follows:

No.	Considered by Central Level	Considered by provincial, VTE levels
1	All mineral exploration activities (except the mineral prohibited by law)	Mineral Exploitation by handicraft (using basic tools and without excavators) approved minerals for handicraft Exploitation are: alluvial gold, alluvial tin and tailings
2	Industrial mineral exploration activities (using machinery in Exploitation)	Exploitation activities of stones, sand for construction work
3	Mineral processing activities	
4	Exploration activities of oils and gas	

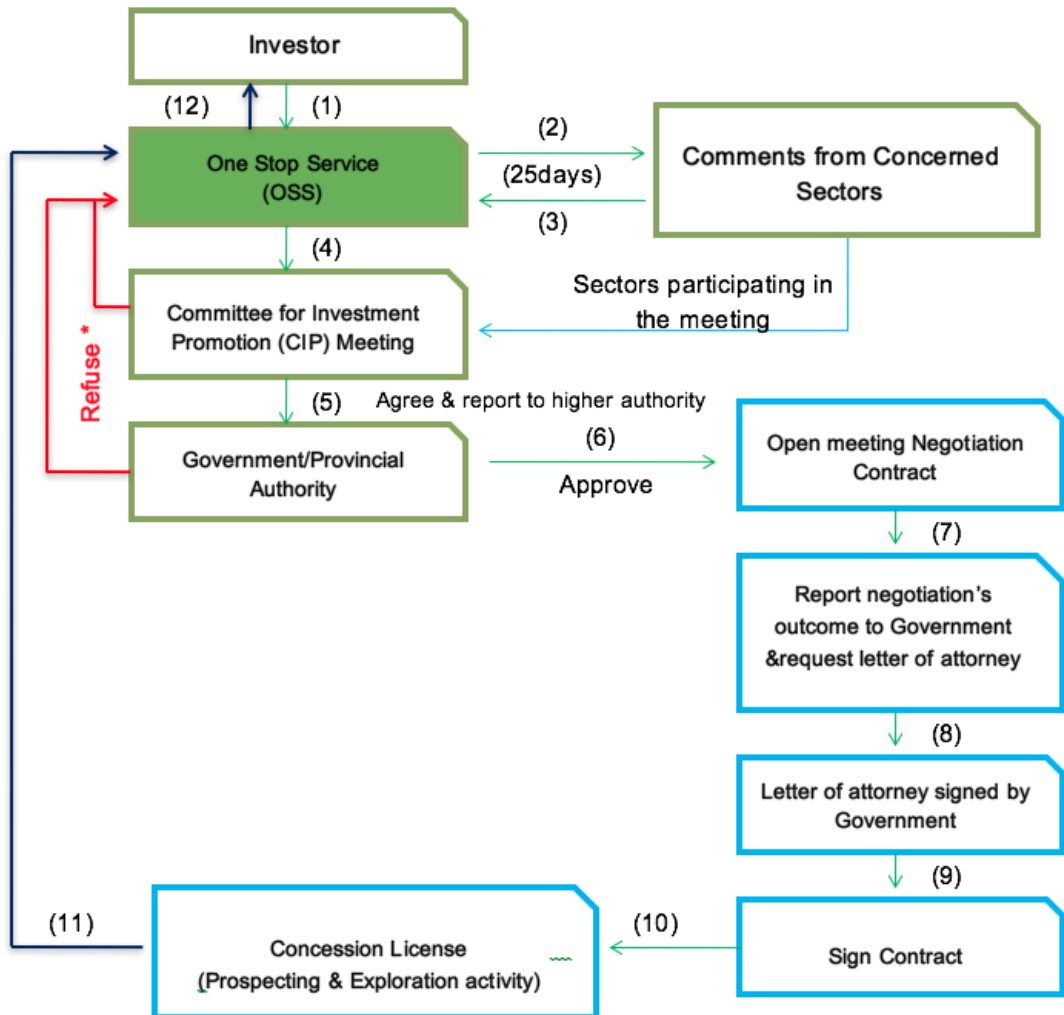
• **Complementary documents in submitting the request**

1. Application for investment in mineral printing form;
2. Brief proposal about the project development, certified by president or director-general of the company (or attorney);
3. Histories-Experiences of the company, license or business registration certificate of the company;
4. General business agreement (in case there are two company or more);
5. Power of Attorney for representative of stockholders or company, in case the person is not at the top position of the company;
6. Map of project location (global positioning scope of concession area);

7. Documents about project technical data;
8. Documents about project primary data collection;
9. Supporting letter of financial institutes or banks (if any);
10. Other related documents (if any);

The submitted application must be of 6 sets and the investor must maintain 1 copy as the evidence.

**Processes for considering the approval request and the issuance of minerals concession registration certificate for exploration activities**



**Remarks:** After the investors have received concession registration certificates for searching and exploration, the investors request the approval for searching and exploration activity operation from Ministry of Natural Resource and Environment (MoNRE).

- Any company who has received the searching and exploration rights from the Government must create an operational plan, starting from general searching in the scope of Concession Agreement, followed by the exploration in extracting areas. The searching and exploration plans of each period must be legalized by Ministry of Natural Resource and Environment before the implementation.

The operational plan is divided in 3 steps:

1. General searching period:
  - Study of data documents;
  - Field activity operation about geological status and mineral existing phenomena;
  - Summary of mineral characteristic assessment;
  - Area selection for possible exploration.
2. Exploration period:
  - It is the study of geological structure and mineral sources in the selected area for exploration;
  - It comprises of the works of geology, geophysics, survey, Exploitation, canalization, well drilling, sample collection, analysis and others;
  - To know the accumulative quantity and quality of the minerals;
  - Assess the primary economic-technical possibility and technical conditions of the Exploitation;
3. Primary Feasibility Study creation period:
  - The economic-technical possibility study is with 1 year validity and renewable no longer than 1 year based on the consideration of Ministry of Natural Resource and Environment;
  - In this step, the focus will be emphasized on the calculation result of mineral accumulative quantity to be used in creating a clear analysis that is closed to the standard of implemented mineral accumulative quantity classification;
  - Furthermore, it is an initial assessment of planning for Exploitation, processing, production and distribution;
  - Initial assessment on environmental and social impact, as well as the assessment of economic effectiveness of the project.

**Remarks:** The 3 periods of activity operation depend on the negotiation outcome;

• **Deposit of warranties in mineral searching and exploration:**

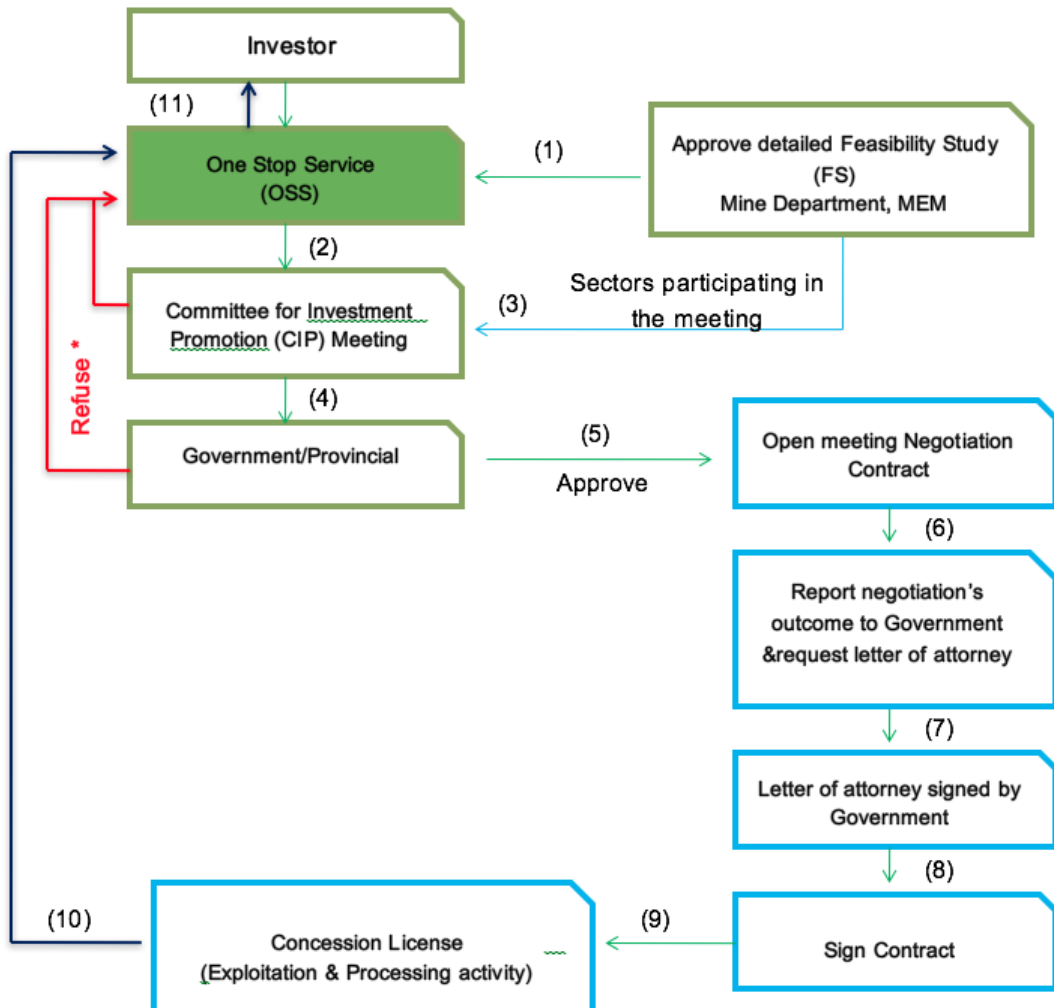
Concession land area	Warranties
1-300 Km <sup>2</sup>	50.000 US dollars
301-500 Km <sup>2</sup>	100.000 US dollars

For the warranty deposit in non-metal minerals, energy minerals, and liquid minerals, the specific regulations in determining areas and amount of the warranties are applied.

## B. Procedures of applying for Exploitation and processing

After the investors have received the searching-exploration contract operational paper signed with the Government and if the **detailed Feasibility Study legalized** by the Natural Resource and Environment Sector indicates that it is economic and the assessment of environmental and social impact has been legalized by the environmental and social impact unit, the investors can propose to move to the step of Exploitation and processing in line with the rules and regulations.

### The process for considering the approval requests and issuing concession registration certificates in mineral Exploitation and processing activities



**Remarks:** After the investors receive concession registration certificate (Exploitation and processing) investors must obtain the license for Exploitation and processing activities from Ministry of Energy and Mine.

- **Land concession fee for mineral activities:** To implement in line with the Lao PDR President’s Constitute on the State-Owned Land Rental and Concession Fee No. 02/President, dated 18 November 2009. This depends mainly on land type/mineral type, i.e., land rental/concession rate of lead ore will be as follows:
  1. General searching period: 1 US dollars/hectare/year or 100 \$/km2/year.
  2. Exploration period: 2 US dollars/hectare/year or 200 \$/km2/year.
  3. Period of creating economic-technical analysis 3 US dollars/hectare/year or 300 \$/km2/year.
  4. Period of Exploitation and processing 100 US dollars/hectare/year or 10,000 \$/km2/year.

**(charging rate for land concession in mineral activities is enclosed in Annexe III)**

### 3.5. Application for the investment in electricity activities

#### A. Request an approval for project feasibility study or request the signing of Memorandum of Understanding MOU.

Investors who have objectives in running their business in hydro-powers must request the approval in primary data collection from Energy-Mine Sector in order to set their desired project location.

Investors must submit the request to PI sectors at central levels or local levels in accordance with the following decentralization:

No.	Central level to consider the installation of 15 MW(1)and above	Provincial, Municipal levels to consider the installation of 15 MW(1)and below
1	Hydro-power development	Hydro-powers development
2	Wind power electricity development	Wind power electricity development
3	Solar energy development	Solar energy development
4	Thermal energy development	Thermal energy development

<sup>(1)</sup>based on Electricity Law (amendment) No. 03/NA, dated 20 December 2011, in Article 34 Approval of power project size.

- **Complementary documents for submitting an application**

1. Application for investment in printed form of electricity.
2. Brief proposal about the project development, certified by the President or

- Director-General of the company (or the attorney).
- 3. Biography and experiences of the company, license or business registration certificate of the company.
- 4. General business agreement (in case of two companies or more).
- 5. Power of attorney for the representative of stockholders or company, in case the person is not at the top position of the company.
- 6. Map indicating the project location.
- 7. Documents about the technical data of the projects.
- 8. Documents about the primary data collection of the project.
- 9. Supporting letter of financial institutes or banks (if any).
- 10. Other related documents (if any).

The application shall be submitted in 6 sets and the investor shall maintain 1 set for the evidence.

- Time frame of Memorandum of Understanding of the hydro-power project feasibility study is generally 18 months, in which the developers must operate as follows:
  1. Economic technical analysis Feasibility Study “FS”
  2. Report of Environment and Social Impact Assessment “ESIA” or Initial Environment Examination (IEE).

- **Deposit of MOU’s warranties**

Installation capacity	Warranties
5 MW and below	10.000 US dollars
between 5 MW - 100 MW	30.000 US dollars
100 MW and above	50.000 US dollars

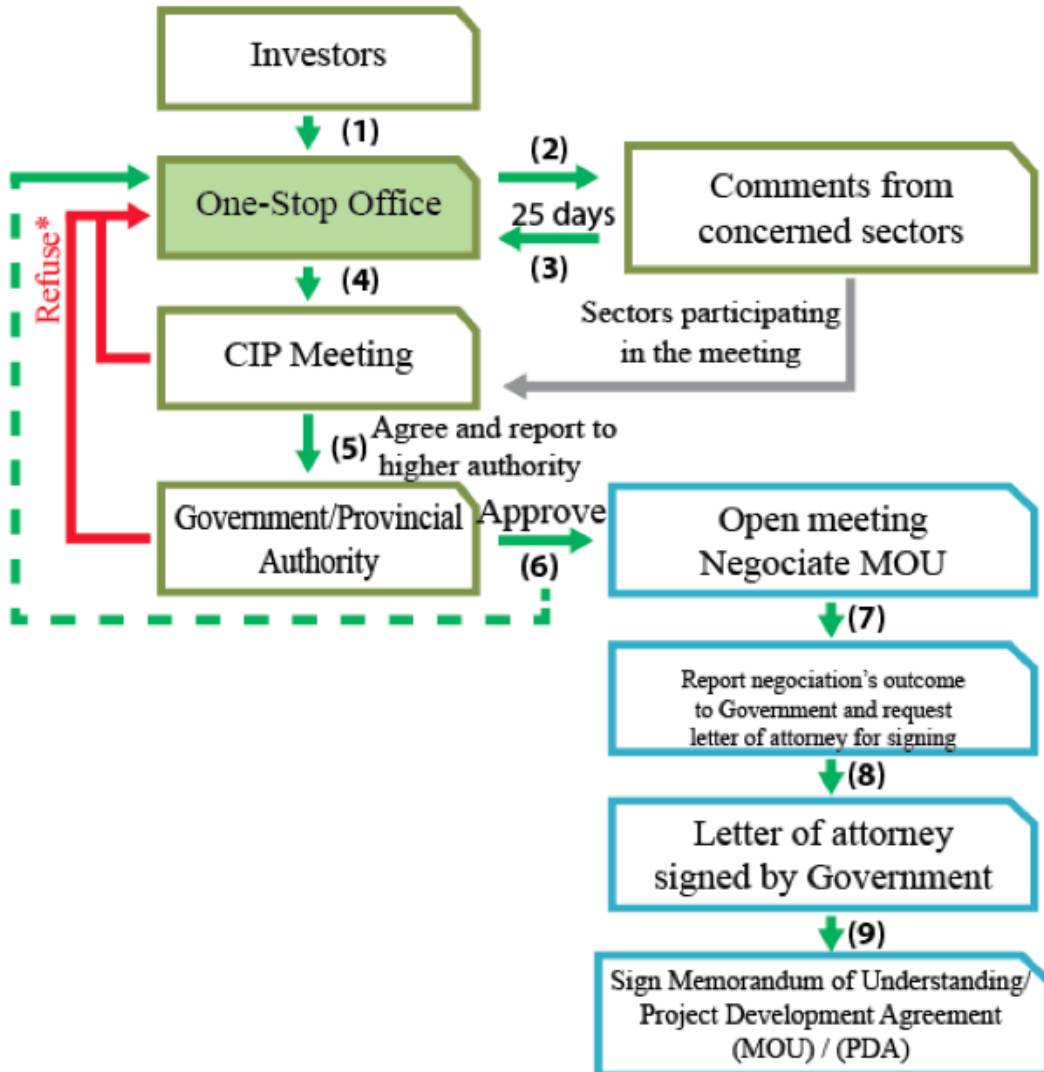
**B. Procedures of Project Development (PDA)**

After the investors have completed their commitment determined in MOU (in that, the initial FS, ESIA/IEE have been legalized by the concerned sectors), the investors can propose their request to move to the detailed feasibility study or called the project development step on the basis of signing Project Development Agreement with the Government, In this following step the investors will have to coordinate with Ministry of Energy and Mine (EM) in accordance with the details and procedures to be implemented in line with the regulations of the Ministry of EM. The negotiation is directly joined with Energy Business Department, Ministry of EM. After that, Ministry of EM submits the negotiation outcome to Ministry of PI for reporting to the Government in order to consider and issue the announcement and issue the letter of

attorney for signing to Ministry of PI to countersign on behalf of the Government of Lao PDR.

**(Remarks:** Those procedures may be amended periodically in line with the rules and roles of concerned sectors).

**Procedures for considering the approval request to sign Memorandum of Understanding (MOU) and Project Development Agreement (PDA)**



(After signing MOU /PDA investors can apply for the establishment of representative office in accordance with Article 27 on the implementation of Investment Promotion Law No. 119/PM, dated 20/04/2011).



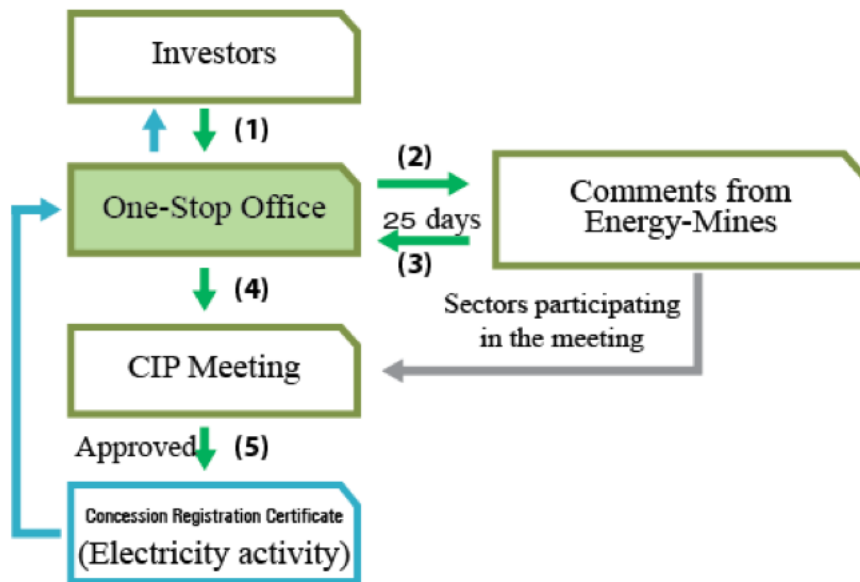
### C. Procedures of Project Concession (CA)

These procedures are similar to the procedures of project development (PDA). However, before signing Concession Agreement (CA) of the project, investors must establish Project Company to sign Concession Agreement of the project (CA) with the Government, and with the following documents:

1. Contract of stockholders within the investors themselves including any enterprise of the Government in accordance with the agreement appointed by the Government for stockholding in the project/company.
2. Prepare the request, the same procedure as of the application for general company establishment, with complementary documents similar to complementary documents submitting to apply for initial investment in hydro-power sector by attaching the contract of stockholders to the request.

#### Procedures in considering the approval of concession agreement (CA) of electricity project

After receiving the application for the project company establishment, Ministry of PI will request comments from Ministry of EM and report in CIP meeting to request the approval, and then the issuance of concession registration certificate based on the regulations, with the following detailed procedures:



After the project company has been established, PI sector issues concession registration certificate (electricity activity) to the investors to enable them to sign the agreement with the Government in order to move to organizing the operational plan.

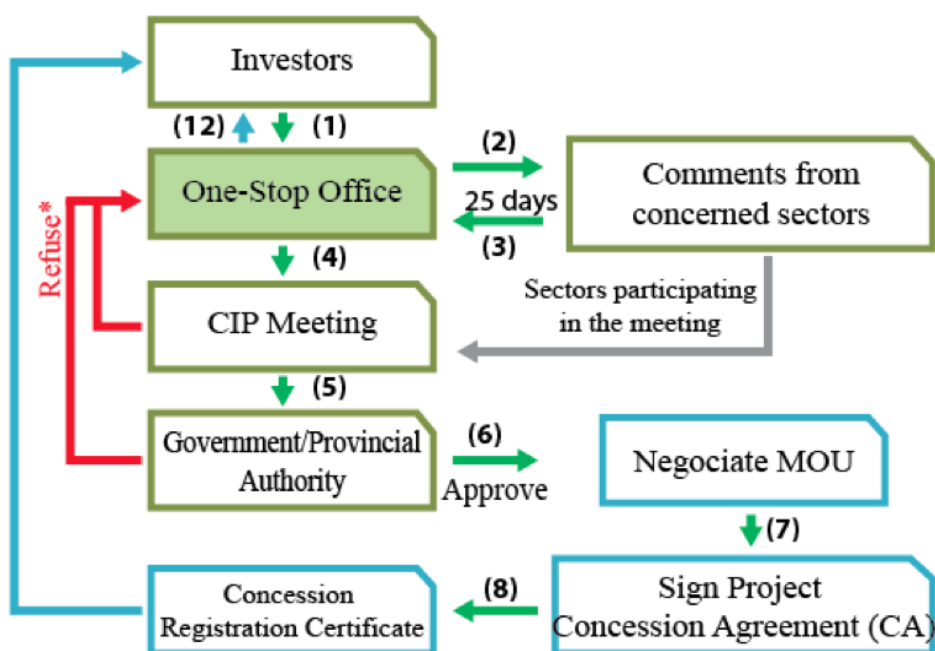
### 3.6. Application for state-owned land concession in industrial sector and service investment.

- Investors (legal entity) having their objectives to invest in the activity in relations to state-owned land concession for the establishment of factory, industry and services, i.e. cement factory, concession for market construction, trade centres, tourism resorts, accommodations, public parks, residences and others that use state-owned land must submit their request via One-Stop Service of PI sector (see details of the activity in Annexe3: Concession activity in the implemented constitute of Investment Promotion Law No. 119/PM).

#### Remarks:

- State-owned land concession for all type investment must submit the request via Planning and Investment for the issuance of concession registration certificate and keeping the contract.
- Investment (without state-owned land concession, i.e. land rental with any sector of the government or with private sector (with land rental contract) for factory establishment/service sector can directly submit the request through Industry and Commerce Sector (details are in Part IV).

#### **Procedures in approving the land concession investment in industry and service sectors**



### 3.7. Investment in rights concession activities and tactical activities

Investments in other service sectors in connection with the utilization of the government ownership or the rights concession and tactical activities are activities that Government pays attention to, as they are activities affecting the social-economic development and national stabilities. It therefore needs detailed and well-rounded consideration from sectors and Government in advance. Therefore, the domestic and foreign investors (legal entity) with their investment objectives in such activities must submit their application for Government’s approval through Committee for Investment Promotion“CIP”at central levels, comprising of:

- Telecommunication activities (services of telecommunication-telephone-media-internet);
- Services of financial institutes (banks, insurances);
- Air transport service and sea transport service;
- Services of radio-television stations;
- Investments in infra-structure construction: road, transportation (land, marine), railway, bridge construction, airport construction, water supply, sanitary landfill or waste disposal plant, waste storage and others;
- Development of national and local tourism resorts (zoological gardens, amusement parks, artificial tourism resorts);

**(These activities must follow the law determined in Annexe 3:Concession Activity of the constitute for implementing Investment Promotion Law No. 119/PM, dated 20/04/2011).**

The investors must submit the request to PI Sector at central or at local levels in accordance with the following decentralization:

No.	Central levels to consider	Provincial, Municipal levels to consider
1	Television, satellite orbit.	-
2	Radio, television stations.	Radio, television stations (local levels)
3	Establishment of airlines, air transportation / sea transportation.	-
4	Investments (concession) in sectors of market construction, trade centres, tourism resorts, accommodations, public parks, residences and others that use state-owned lands.	Investments in sectors of market construction, trade centres, tourism resorts, accommodations, public parks, residences and others that use state-owned lands (within the localities)

5	Investments in infra-structure construction: road, transportation (land, marine), railway, bridge construction, airport construction, water supply, sanitary landfill or waste disposal plant, waste storage and others	Investments in infra-structure construction: road, transportation (land, marine), railway, bridge construction, airport construction, water supply, sanitary landfill or waste disposal plant, waste storage and others
6	Investments in insurance sector, financial institutes (banks, micro-financial institutes, hire-purchase, money exchange....)	-
7	Development of national tourism resorts (zoological gardens, amusement parks, artificial tourism resorts)	Development of national tourism resorts (zoological gardens, amusement parks, artificial tourism resorts)
8	Hotels, Resorts of 3 stars and above, restaurants that use state-owned lands	Hotels, Resorts of 3 stars and below, restaurants that use state-owned lands

- **Complementary documents required for submission**

1. Application for investment in general printed form of Planning-Investment sector.
2. Company's regulations in printed form.
3. Economic-technical analysis.
4. Copy of passport, biography and experiences of investors or company, license or business registration certificate of company.
5. General business agreement (in case there are two stockholders or two companies and above).
6. Power of attorney for the representative of stockholders or company, in case the person is not at the top position of the company.
7. Financial certificate or supporting letters of financial institutes or banks.
8. Other related documents.

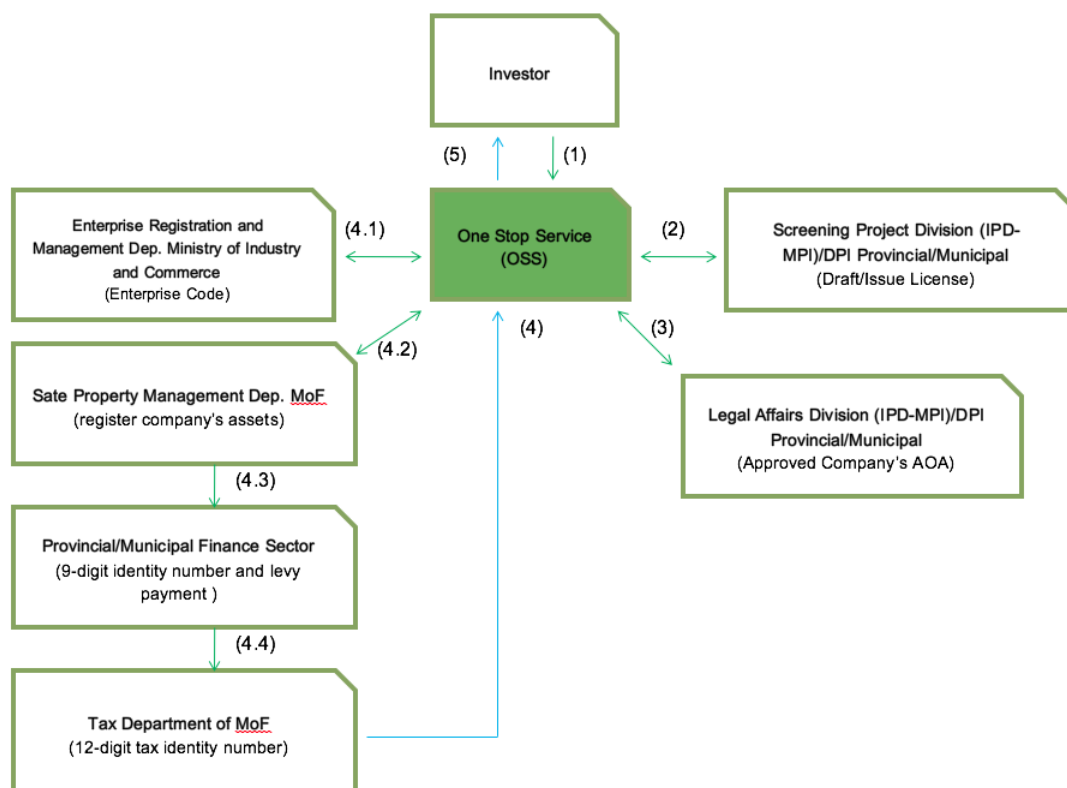
The request must be submitted in 6 sets and investors must keep 1 copy of the investment request as the evidence.

### **3.8. Procedures for requesting the registration of concession registration certificate and Investment license.**

The application for registering the concession registration certificate (electricity, mine, agriculture and other activities in relations to concessions, rights concessions and tactical activities) has the following procedures in issuing concession registration certificates:

- **Complementary documents requesting the certification of company's regulations**
  1. Proposal to request the certification of company's regulations;
  2. Draft of investment license / draft of concession registration certificate;
  3. Application for company establishment: 1 set;
    - documents requesting the certification of the regulations: 5 sets.
- **Documents required for requesting the enterprise code.**
  1. Requesting the enterprise code consists of the following complementary documents:
    - Proposal for enterprise name reservation of the company;
    - Application for enterprise registration declaration of the company;
    - Contract of establishing the enterprise of the company;
    - Company's enterprise regulations;
    - Copy of the application for investment;

## Procedures in considering the issuance of concession registration certificate and investment license



Every concession activity approved by Government will receive concession registration certificate from CIP at central or local levels. The certificate is for the establishment of legal entity in line with Lao laws.

After receiving the approval on principle from the Government, the investors must work jointly with One-Stop Service to prepare documents for requesting concession registration certificate as follows:

1. Prepare the complete set of form and fill out the form for obtaining the enterprise code and tax identity number, then submit via OSS;
2. Draft concession license jointly with investors to verify the correctness;
3. Create regulations to be used in the company (as per the form formulated by PI sector) for IPD's approval (1 set of application for approval and 5 sets of regulations);
4. One-Stop Service Office prepare referral letter to request the enterprise code and 12-digit tax identity number (issued by Tax Department) and hand-over to OSS of the Ministry/PI Section with the following procedures:

1. Investors must submit complete set of application form and referral letter to apply for the enterprise code from the Enterprise Registration and Management Department;
2. Investors must register the company properties with State Property Management Department, Ministry of Finance (in coordination with OSS technical officers). In case the investors have received the license at local levels, i.e.: provinces/municipal, the investors must submit for the company property registration with provincial/municipal State Property Management Section;
3. Submit the form to provincial/municipal Finance and receive 9-digit tax identity number (facilitated by local levels) and pay levies (fee rate is determined in Annexe I);
4. After that the investors submit all documents to Tax Department of Ministry of Finance to request 12-digit tax identity number.
5. IPD (project research and analysis section) issue concession registration certificate (assign the enterprise code and tax identity number in the same document) and OSS hand over the concession registration certificate to the investors;

**Remarks:** After the investors have received approval from the Government via Committee for Investment Promotion (CIP) at central or local levels, the investors must request the license to operate the business activities under the concerned sectors before they can operate the business.

### **3.9. Application for establishing representative office (Article 47 of Investment Promotion Law 2009).**

- Foreign legal entity with the purpose of establishing the representative office in Lao PDR must submit the proposal to One-Stop Service, Ministry of PI for consideration and issuance of the certificate of representative office establishment.
- The certificate acknowledges the legitimate rights of the representative office to enable their movement in accordance with the roles, rights and duties, mainly in investment data collection for the mother company to use as a base in considering the investment in Lao PDR, but it does not allow operating the business.
- Registration certificate of representative office including Tax identity number.
- Age of representative office is 1 year

**A. Conditions of establishing the representative office.**

- Must be the legal entity company in foreign country.
- The purpose of establishing is to study and collect data for the investment possibility in Lao PDR.
- Activity of the application for establishing the representative office in Lao PDR is based on the activity of the main company (to study and collect similar data as of the main company).

**Remarks: Representative offices have no rights to operate the business in all forms, including investments, trades and services (Article 30 of Law Implementation Decree No. 119/PM, dated 20 April 2011).**

**B. Complementary documents submitted for the request of establishing the representative office.**

1. Application for the establishing the representative office.
2. Regulations of the representative office proposing the establishment.
3. Letter of agent appointment and/or Power of Attorney from the mother company to apply for a representative office establishment in Lao PDR with a copy of passport and brief biography of the appointed person.
4. Legalized copy of registration certificate of Mother Company.
5. Copy of regulations of main company.
6. Office rental contract with rental tax payment receipt\*
7. Map of office location certified by village authority.\*
8. Property list of representative office (fixed properties)\*.
9. Staff name list\*.

\* Items 6-9 are required for obtaining tax identity number.

- Complementary documents in 5 sets in total.

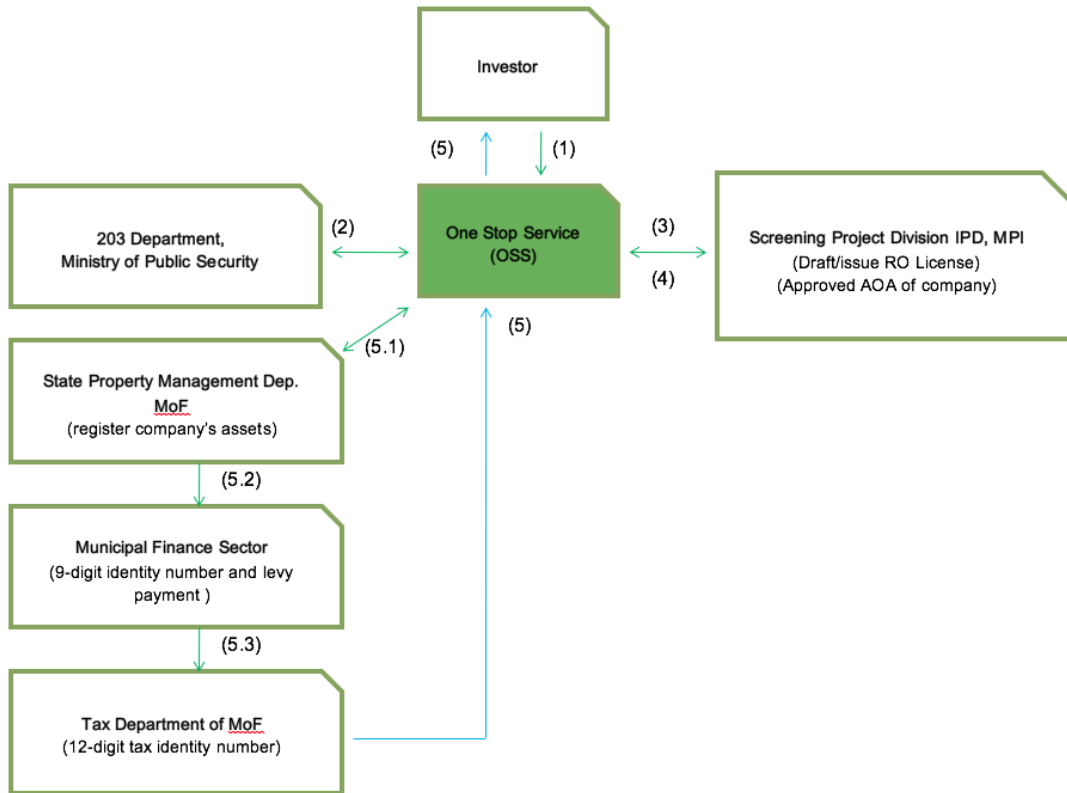
**C. Complementary documents requesting approval of regulations of the representative office**

1. Proposal to request the certifying of regulations of representative office;
2. Draft registration certificate of the representative office;
3. The application for establishing the representative office 1 set;

- Documents requesting the certification of regulations are in 5 sets.



## Procedures in establishing the representative office in Lao PDR



1. Investors prepare the complete set of request, then submit to One-Stop Service Office of Investment Promotion Department;
2. Request comments from 203 Department of Ministry of Public Security;
3. Draft registration certificate form of the representative office to use as a complementary document in regulations certification and tax identity number request;
4. Investors must prepare the regulation form of the PI Ministry for company's Article of Association "AOA" (5 sets) with comments from Public Security, and attach the draft of the representative office registration certificate;
5. One-Stop Service prepares a referral letter to apply for the 12-digit tax identity number (Tax Department) and to be handed over to OSS of Ministry/PI Section with the following procedures:
  1. Investors must have registered the company's assets with State Property Management Department, Ministry of Finance (with coordination of OSS's technical officers);

2. In case the office is located in the municipal, the investors must submit the forms to the municipal Tax Section and receive 9-digit tax identity number and pay the levies (rate of levies is determined in Annexe I).
3. After that, the investors submit all documents to Tax Department, Ministry of Finance to request the 12-digit tax identity number.
6. IPD (Project Research and Analysis Section) issues the representative office registration (set tax identity number in the same paper) and OSS hands over the representative office certificate to the investor;

**Remarks:** In case the representative office is located in provinces, it is not necessary to submit to municipal or provincial Finance Section. It can be submitted through Tax Department.

### 3.10. Legal changes.

The application for legal changes must be submitted to Planning and Investment Sector at central and local levels. It is the representative office and the activity in charge of state-own rights concession, i.e. mineral sector, electricity, land concession in agriculture sector, industry, services, airlines, telecommunications, insurances and financial institutes determined above. If they are general activities not in charge of the aforementioned concession, the request shall be submit to Industry and Commerce Sector.

#### 3.10.1. Complementary documents for an increase in total capital or registered fund

1. Proposal requesting an increase in total capital or registered fund.
2. The meeting minutes of the executive council or stockholders of the company.
3. Fund Import Certificate from Bank of Lao PDR Headquarters or branches or state business banks assigned by Bank of Lao PDR.
4. Copy of investment license (if any) or concession registration certificate.
5. Copy of enterprise registration certificate (if any)\*\*.
6. Copy of tax registration certificate (if any)\*\*.
7. Copy of business operation license (if any).
8. Copy of the company's regulations approved by Investment Promotion Department (if any).

#### 3.10.2. Complementary documents requesting the company activity expansion

1. The application for activity expansion of the company.
2. The meeting minutes of the executive council or stockholders of the company.
3. Economic-technical analysis for the activities to be expanded.

4. Company's previous movement report, especially the complete and on-time payments of customs, taxes and other fees in relations to the business operation.
5. Report of future movement of the company.
6. Copy of investment license (if any) or concession registration certificate.
7. Copy of enterprise registration certificate (if any)\*\*.
8. Copy of domestic tax registration certificate (if any)\*\*.
9. Copy of business operation license (if any).
10. Copy of the company's regulations approved by Investment Promotion Department.

- Submit the application in 4 sets.

### **3.10.3. Complementary documents to request the change of company's stockholders**

1. Proposal for the change of company's stockholders.
2. The meeting minutes of the executive council or stockholders of the company.
3. The MOU of share's transfer and/or (draft) stock brokerage between two parties.
4. Copy of passport and brief biography of a new stakeholder (for foreigners), if the new stakeholder is a Lao citizen, a copy of national identity card, family book and criminal record is required.
5. Copy of investment license or Concession registration certificate.
6. Copy of enterprise registration certificate (if any)\*\*.
7. Copy of tax registration certificate (if any)\*\*.
8. Copy of business operation license (if any).
9. Copy of company's approved regulations (if any).

- Submit the request in 3sets.

### **3.10.4. Complementary documents requesting the amendment of investment license or concession registration certificate**

1. Proposal requesting the amendment of investment license or concession license.
2. The meeting minutes of the executive council or stockholders of the company.
3. Documents referring to reasons of the amendment of investment license or concession registration certificate.
4. Original investment license or original concession registration certificate (if any).

5. Copy of enterprise registration certificate (if any)\*\*.
6. Copy of tax registration certificate (if any)\*\*.
7. Copy of business operation license (if any).
8. Copy of the approved regulations of the company (if any).

**3.10.5. Complementary documents requesting the renewal of investment license, concession registration certificate**

1. Proposal requesting the renewal of investment license or concession registration certificate.
2. The meeting minutes of the executive council or stockholders of the company.
3. Company's previous movement report, especially the complete and on-time payments of customs, taxes and other fees in relations to the business operation.
4. Future movement plan of the company.
5. Original of Investment license/Concession registration certificate (if any).
6. Copy of enterprise registration certificate (if any)\*\*.
7. Copy of tax registration certificate (if any)\*\*.
8. Copy of business operation license (if any).
9. Copy of the approved regulations of the company from Investment Promotion Department (if any).

**3.10.6. Complementary documents requesting the renewal of representative office**

1. Application for the registration renewal of representative office.
2. Letter of proposal from the holding company to request the renewal of representative office.
3. Company's previous movement report, especially the complete and on-time payments of customs, taxes and other fees in relations to the business operation.
4. Report of future movements of the representative office.
5. Original registration certificate of the representative office.
6. Certificate of salary tax payment.
7. Copy of certified regulations of the representative office.

**3.10.7. Complementary documents requesting activity cease or permanent cancellation of the company**

1. Proposal requesting the cease or cancellation from the company.

2. The meeting minutes of the executive council or stockholders of the company.
3. Copy of rental payment and staff salary tax.
4. Copy of water supply and electricity payment.
5. Original of investment license or concession registration certificate.
6. Original enterprise registration certificate (if any)\*\*.
7. Original tax registration certificate (if any)\*\*.
8. Original business operation license (if any).
9. Approved regulations of the company (if any).
10. Company stamp and name stamp.
11. Environmental certificate and other related documents.

**3.10.8. Complementary documents for the close down of representative office or company**

1. Proposal requesting the closure of representative office or company.
2. The meeting minutes of the executive council or stockholders of the holding company (representative office) or company.
3. Copy of house rental and staff salary tax payments.
4. Copy of water supply and electricity bills.
5. Original of representative office registration certificate/Investment license or concession registration certificate.
6. Original enterprise registration certificate (if any)\*\*.
7. Original tax registration certificate (if any)\*\*.
8. Original business operation license (if any).
9. Approved regulations of the company (if any).
10. Company stamp and name stamp.

**3.10.9. Complementary documents requesting the change of director of the company or of the representative office**

1. Proposal requesting the change to a new director.
2. The meeting minutes of the executive council or stockholders of the company and letter of appointment.
3. Letter of attorney from the former director and the new officially appointed director.
4. Copy of passport and brief biography of appointed person to be a new director (for foreigners). If the appointed director is a Lao citizen, copy of national identity card, family registration book and criminal record must be provided.
5. Copy of investment license/concession registration certificate/registration

certificate of representative office.

6. Copy of enterprise registration certificate (if any)\*\*.
7. Copy of tax registration certificate (if any)\*\*.
8. Copy of business operation license (if any).
9. Copy of the approved regulations of the company (if any).

#### **3.10.10. Complementary documents requesting the relocation of the company and representative office**

1. Proposal requesting the relocation of the company/representative office.
2. The meeting minutes of the executive council or stockholders of the company.
3. Copy of previous house rental agreement.
4. Copy of current house rental agreement.
5. Copy of water supply, electricity payment (bills).
6. Copy of investment license/Concession registration certificate/ registration certificate of representative office.
7. Copy of enterprise registration certificate (if any)\*\*.
8. Copy of tax registration certificate (if any)\*\*.
9. Copy of business operation license (if any).
10. Copy of the approved regulations of the company (if any).
11. Documents acknowledging the new office relocation.

\*\*For enterprise approved under the Investment Promotion Law 1989, 1994 and 2004;

#### **3.11. Cost of application form and service fees:**

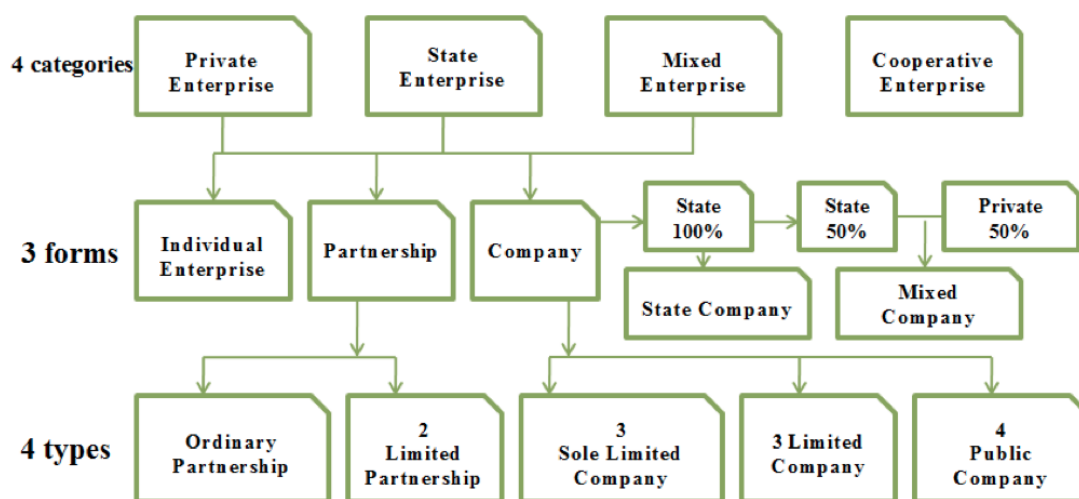
- |  |              |
|--|--------------|
| - Application form for investment+regulations form 1set  | 50,000 Kip;  |
| - Concession registration certificate  | 50,000 Kip;  |
| - License to establish an agent's office   | 50,000 Kip;  |
| - Approve regulations  | 30,000 Kip;  |
| - Amendment of concession registration certificate   | 50,000 Kip;  |
| - Issuing legislation change certificates, i.e. application for activity expansion, amendment of stockholders and others | 30,000 Kip;  |
| - Issuance of new contract   | 500,000 Kip; |
| - Other service fees   |              |

Levies for enterprise registration issuance is calculated based on the registered capital, as stipulated in the Decree 003/President, dated 26 December 2012 (in Annexe I)

# Part IV Investment service in general activities Industry and Commerce Sector

## 4.1. Establishment and registration of enterprise certificate

Establishment and registration of enterprise certificate to operate the business in Lao PDR are under 4 categories, 3 forms and 4 types in line with the Enterprise Law.



### 4.1.1. Enterprise of 4 categories:

1. Private Enterprise;
2. State Enterprise;
3. Mixed Enterprise;
4. Cooperative Enterprise;

### 4.1.2. Enterprise of 3 forms:

1. Individual Enterprise;
2. Partnership;
3. Company;

### 4.1.3. Enterprise and company of 4 types:

#### A. Enterprise consists of 2 types:

1. Ordinary Partnership;
2. Limited Partnership;

#### B. Company consists of 2 types:

1. Sole Limited Company;
2. Limited Company;

## 4.2. Enterprise registration and its outcomes

### 4.2.1. Enterprise registration

It is the Government legalization of the enterprise registration to both domestic and foreign person, and legal entity in the business operations in Lao PDR. Enterprise registration is done only one time throughout the business movement time.

### 4.2.2. Outcomes of enterprise registration

1. Make the partnership and the company in the legal entity status which is different from stockholders. It gives rights, duties, responsibilities in accordance with its objective scope and regulations.
2. Make the enterprise able to operate the business in accordance with the business activities determined in the enterprise registration certificate.
3. The content of document files declared in the enterprise registration is open.
4. It is the registration of enterprise and tax at the same time.

### 4.2.3. Businesses for Lao citizens that are not necessarily declared for enterprise registration

- Production of agriculture and handicraft for family economy by using family members' labour without hiring non-family member persons.
- Vendors comprise of: small-scale minimart business operators, peddlers, stall merchants with regular income below 100.000 Kip/day.
- Small-scale minimart business operators, peddlers, stall merchants with regular income below 100.000 Kip/day.
- Seasonal traders or business operators.

(based on the Announcement of Non-Registered Business No. 2037/IC.ERM28/10/214).

## 4.3. Scope of responsibility in enterprise registration

### 4.3.1. Central level (Enterprise Registration and Management Department, Ministry of IC)

- **Services of enterprise registration:**
  1. Inspection and approval of enterprise name;
  2. Establishment of foreign enterprise branches (legal entity) in Lao PDR;
  3. Establishment of state-enterprise (approved by the Prime Minister);
  4. Establishment of public company, including the change to the public company;
  5. Type of business or activity that ministries reserve rights to consider



before approving the enterprise registration (enclosed in Annexe IV);

6. Enterprise establishment in businesses: oil import (except for cooking gas) and vehicle import (all engine vehicle types);

#### 4.3.2. Central and municipal levels (provincial and municipal Industry and Commerce Section)

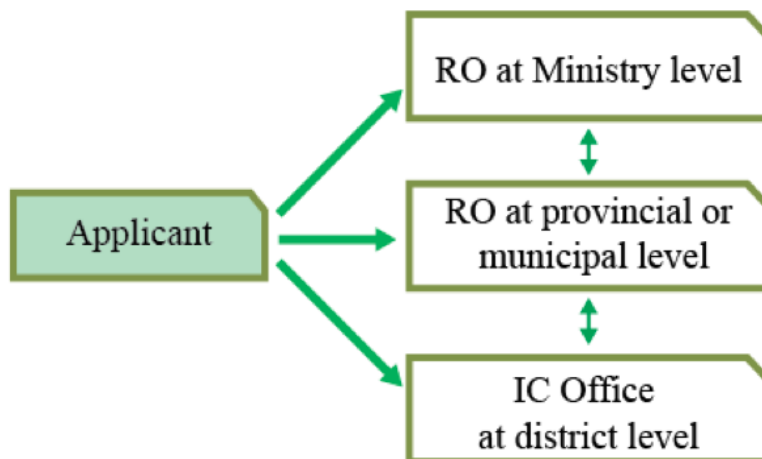
- **Service of enterprise registration**

1. Registration in specific book following up the movement of enterprise branches (legal entity) in the country;
2. Approve enterprise name;
3. Establishment of enterprise approved by provinces (Provincial Governor or Major);
4. Apart from business types determined in 4.3.1 (5 and 6) the provincial and municipal Industry and Commerce Section can register all type of enterprises, enterprise forms and in any domestic and foreign stock ratio;
5. Enterprise registration at the provincial and municipal Industry and Commerce Section can be done for only the enterprise whose main officer is located in the its locality;

#### 4.3.3. District level (Industry and Commerce Office of District)

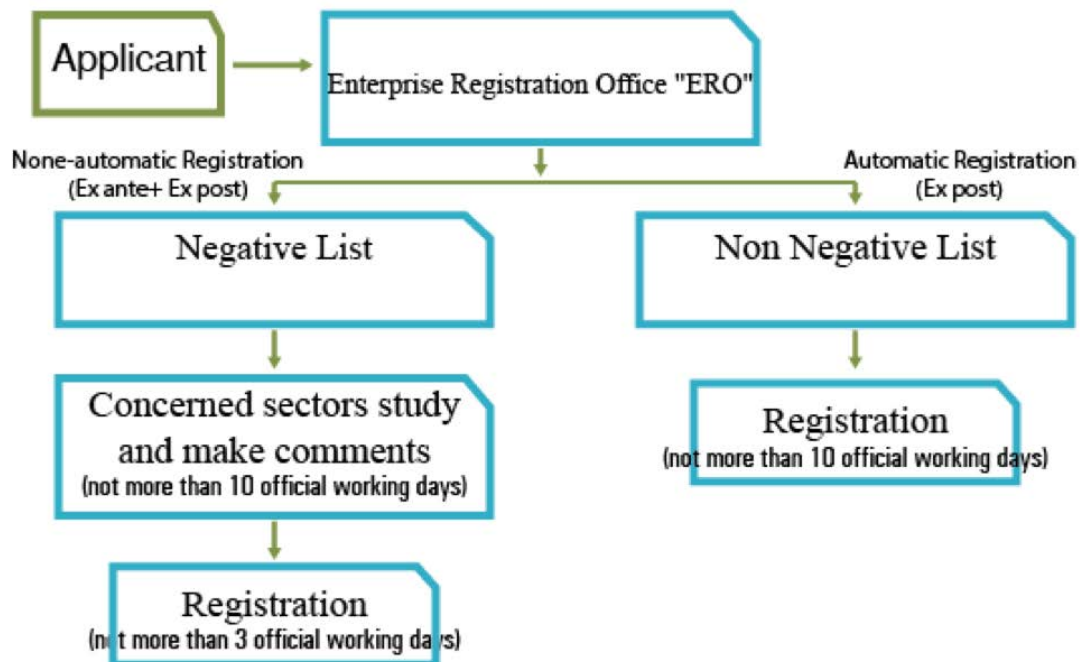
It is the provincial, municipal Industry and Commerce Section to consider, in accordance with the actual capability conditions of each district, which to be transferred to Industry and Commerce of district levels to register the enterprise in line with 3-Construction Policy.

#### Decentralization processes at central and local levels



**Remarks:** Scope of rights in considering the enterprise registration between central, local and district levels is different, the details are determined in the notice No. 1618/IC.ERM, dated 28 August 2013.

#### 4.4. Procedure and time frame for enterprise registration



#### 4.5. Complementary documents for enterprise registration.

- For individual enterprise, the required documents are: 1 set of Application for individual enterprise registration declaration;
- For (ordinary partnership, limited partnership, company limited, sole company limited, public company, state company and joint venture company) 4 sets of:
  1. Proposal for enterprise name reservation;
  2. Contract for enterprise establishment (except for sole company limited);
  3. Application for enterprise registration;
  4. Regulations of the enterprise;

#### 4.6. Fee for application forms and levies for enterprise registrations.

1. Application for enterprise registration: 10.000 Kip/set;

2. Proposal for name reservation: 10.000 Kip/set;
3. Contract for establishment: 10.000 Kip/set;
4. Regulations: 30.000 Kip/set;
5. Fee for printing enterprise registration certificate and fee for the application for individual enterprise registration: 40.000 Kip;
6. Fee for printing enterprise registration certificate plus the fee for the application for individual enterprise registration: 70.000 Kip;
7. Fee for photocopying the enterprise registration: 2.000 Kip;
8. Fee for issuing enterprise registration certificate, based on the enterprise registered fund as determined in Decree No. 003/President, dated 26 December 2012 (in the annexes).

**Remarks:** After the enterprise registration, the concerned enterprise must:

- Make stamp;
- Follow the procedures of business operations in accordance with the law;
- Operate the business within 90 days;
- Transfer funds into Laos (for foreigners) within 90 days;

**List of conditional business types for foreign investors (List D02 - 2015 “updated”) and business type list, business size, enterprise type and company type that ministry levels reserve right to consider before approving the enterprise registration is in Annexe II.**

# Part V Investment Services in Special Economic Zone and Specific Economic Zone (SEZ)

## 5.1. Investment in SEZ

Investment in SEZ consists of 2 forms as follows:

1. **General Investment:** Developers and investors can invest in all sectors in the SEZ, except for the Government prohibitive activities, mainly the trading of arms, drugs, poisonous chemical substances, activities that destroy environment, lives and properties of the people, services that are against regulations and laws, destruction of peace, tidiness, and beautiful national and local cultures. The general investments will not receive any promotional policy from SEZ.
2. **Promotional Investment:** Promotional investments, according to the regulation of the SEZ Administrative Committee or Economic Administrative Board, are mainly the electronic industries, scientific and new technological researches in the production, production of modern construction equipment, tourist precincts infrastructure, production and processing of hygienic agricultural product, organic products, production for export, forestation, schools, hospitals, public parks and other investment activities considered appropriate and strongly supportive by SEZ.

## 5.2. Investment Proposals in SEZ

Both domestic and foreign people and legal entities with purposes of investment in SEZ shall submit the investment application to the SEZ Administrative Committee or Administrative Board, depending on its specific forms.

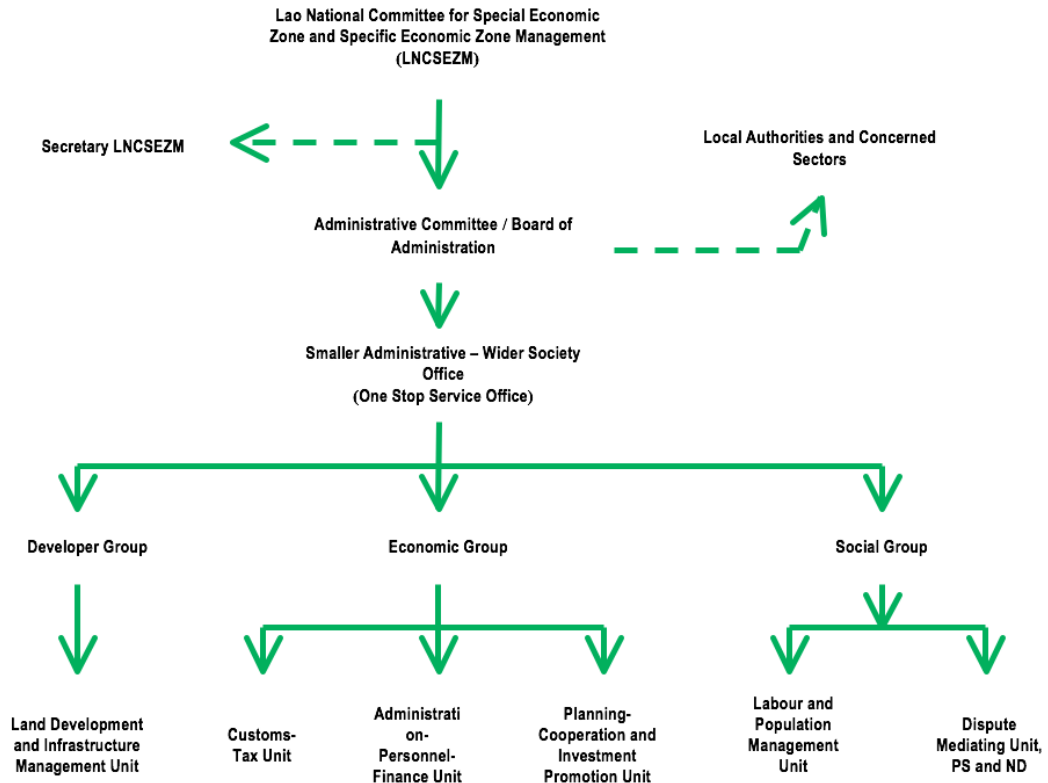
Investors can submit their investment application by fax, email or in persons to the One Stop Service Office of SEZ, depending on case by case.

## 5.3. Management Mechanism

1. **Organisational Structure of SEZ Administrative Committee/ Administrative Board.**

Organisational structure of SEZ includes Economic Administrative Committee/Board, Small Administrative – Wider Society Office (One Stop Service Office) that may be divided into several working units based on the appropriateness of each region, for instance, (1) Developers' Group, (2) Social-Economic Group, and each group may be divided into several working

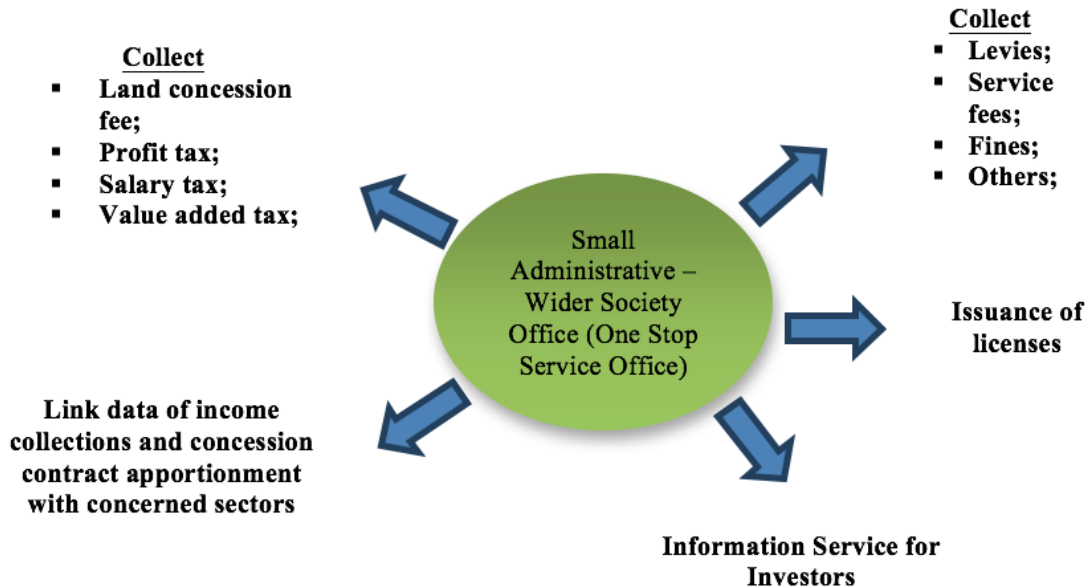
units as follows:



## 2. Basic Principles in mall Administrative – Wider Society Office (One Stop Service Office)

Small Administrative–Wider Society Office (One Stop Service Office) operates in line with the general principles in the form of one stop service through concise, swift, creative, transparent, disclosed and accountable procedures. Agreements on important issues in relation to the SEZ development and management shall be made through the Economic Administrative Committee/ Board. In case the discussion with concerned sectors is necessary, the Small Administrative – Wider Society Office will be the one stop service provider in providing information and solving issues of the investors and service providers in the zone based on the determined date and time. Levies and service fee shall be openly announced and stucked at the Small Administrative – Wider Society Office.

## Basic functions of Small Administrative – Wider Society Office (One Stop Service Office)

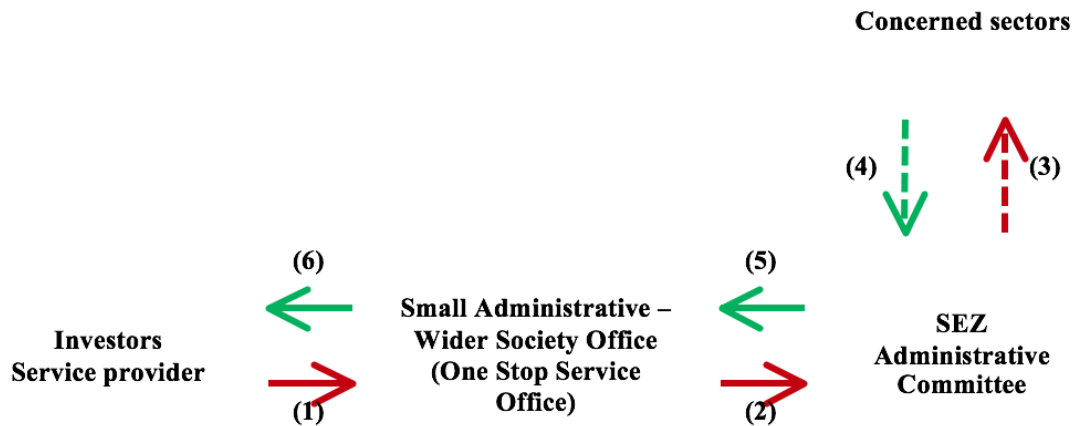


### 3. Small Administrative – Wider Society Office (One Stop Service Office)

Small Administrative – Wider Society Office (One Stop Service Office) is the service centre in SEZ development and management, starting from receiving documents or proposals of investors, service provider throughout the solution, approval and return of the document to the entrepreneurs. These generally include:

1. Land Title Deed;
2. Enterprise Registration Certificate;
3. Import-Export (raw materials, machineries, construction materials, goods and others);
4. License on labour import (identity card and labour card);
5. Tax-Customs collection (salary and value added tax);
6. License on construction of office buildings, service centres, supermarkets and factory;
7. License on environment;

## Procedures of Small Administrative – Wider Society Office (One Stop Service Office)



### 5.4. Criteria and procedures of Small Administrative – Wider Society Office (One Stop Service Office)

#### 5.4.1. Lease of land utilization rights in SEZ

1. Criteria of a proposer
  - Both local and foreign people or legal people;
  - Criminal Record Excerpt No. 03 (for Lao people);
  - Financial status;
2. Documents required for license approval
  - Application for the lease of land utilization rights (based on SEZ printed forms);
  - Contract of business partnership (in case of joint investment from several parties);
  - Copy of identity card, copy of family book and criminal record excerpt No. 3 (for domestic investors);
  - Copy of passport and brief biography of the investor (for foreign investors);
  - Power of attorney (as per the form of SEZ);
3. Consideration Procedures
  - The investors submit the proposal and relevant documents to the developer at One Stop Service Office of SEZ of their interest of investment;

- The investors agree and concur with the developers on the rental rate, duration, payment method;
- The developer signs a land lease contract with the investor, then proposes to the SEZ Administrative Committee or Economic Administration Board for the issuance of the leased land utilisation license in accordance with the agreed contract duration (as per the form of SEZ). The maximum duration of land lease contract must not exceed the SEZ development duration.

#### **5.4.2. Application for Enterprise Registration Certificate**

1. Conditions of the proposer
  - Person or legal person (both domestic and foreign);
  - Land use license for SEZ (rented with developer);
  - Criminal record excerpt No. 3. (for Lao citizen);
2. Documents required for applying for an approval
  - Application for investment (as per the form of SEZ);
  - Land use license issued by the Zone Administrative Committee (rental has been paid);
  - Business partnership contract (if there are several investment parties);
  - Copy of ID card, copy of family book and criminal record excerpt No. 3 (for domestic investors);
  - Copy of passport and brief biography of investor (for foreign investors);
  - Power of Attorney (as per the form of SEZ).
3. Procedures of Enterprise Registration Certificate issuance and renewal
  - After receiving the utilisation right certificate of the lease land, the investor submit the investment application, together with other relevant documents, to the One Stop Service Office for consideration;
  - Administrative Committee/Economic Administration Board issues the Enterprise Registration Certificate (as per the form of SEZ) no later than 3 days with 1 year validity for each issuance. After expiration, the One Stop Service Office shall be advised to renew the certificate for the following year;
  - Before approving the Business Registration Certificate for the following year, the SEZ Administrative Committee must examine to find out whether the investor has already completely followed the customs-tax commitment, salary tax and other commitments or not.





#### 4. Cancellation of Enterprise Registration Certificate

The Administrative Committee/Economic Administration Board is entitled to cancel or withdraw the approved Enterprise Registration Certificate and other promotion policies if it is found that the investor is not able to operate the business and procure 30% (thirty per cent) of the registered capital within 365 days (three hundred sixty-five days) after receiving the Enterprise Registration Certificate (is not entitled for the Enterprise Registration Certificate renewal).

#### 5.4.3. Application for stamps

##### 1. Documents required for license application

- Application for stamp making (as per the form of SEZ);
- Enterprise Registration Certificate.

##### 2. Procedures of license application

- Submit application and enterprise registration certificate to One Stop Service Office of the zone;
- Administrative Committee/Economic Administration Board verifies the documents and coordinates with concerned sectors (if needed) and issue the stamp use certificate (as per the form of SEZ).



#### 5.4.4. Goods Import-Export

1. Documents required for applying for the approval
  - Enterprise Registration Certificate;
  - Application for goods import-export customs exempt (as per the form of SEZ);
  - Purchase orders and import-export invoice and packing list.
2. Procedures in applying for the approval
  - The investor submits the proposal and other relevant documents to One Stop Service Office;
  - SEZ Administrative Committee/ Economic Administration Board issues the certificate (as per the form of SEZ);
  - Declare the certificate and other relevant documents to customs-tax officers at goods import-export checkpoint for their facilitation;
  - Import the goods according to the regulations at the customs-tax checkpoint;
  - If the goods are imported for service and trading, customs-tax laws for imported goods must be implemented.



#### 5.4.5. Construction of buildings and factories in SEZ

1. Documents required for license application
  - Enterprise Registration Certificate;
  - Complete plan and technical construction plan certified by a construction and design company;
  - Land use certificate.
2. Procedures of applying for a license
  - Submit the application and relevant documents to One Stop Service Office (as per the form of SEZ);
  - Zone Administration Committee verifies the documents and coordinates with the concerned sectors (if needed) to issue the license within 5

working days (as per the form of SEZ);

#### **5.4.6. Application for Environmental License**

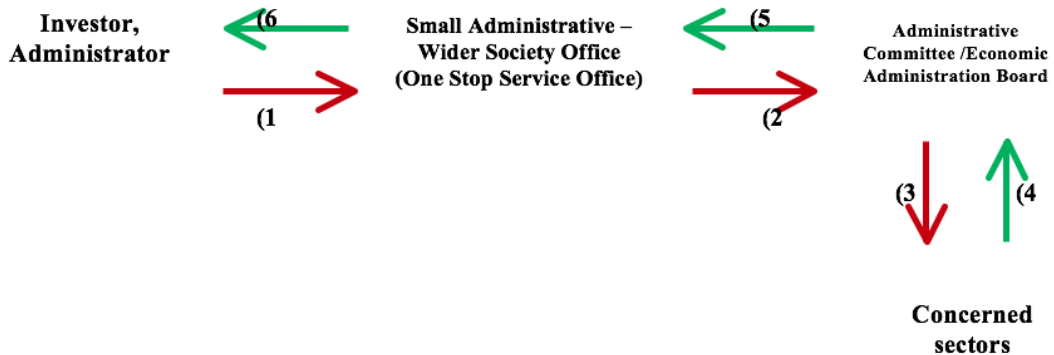
1. Documents required for the license application
  - Application for the license (as per the form of SEZ);
  - Enterprise Registration Certificate.
2. Procedures of applying for the license
  - Submit the application and enterprise registration certificate to Small Administrative – Wider Society Office;
  - Zone Administration Committee verifies the documents and coordinates with the concerned sectors, then issues the certificate (as per the form of SEZ).

#### **5.4.7. Population and Labourer Management**

Investors are entitled to import families, skilled workers and foreign experts in accordance with an appropriate quota set by SEZ Administrative Committee/Economic Administration Board. Requesting an approval for manpower and working duration shall follow the below procedures:

1. Conditions of foreign labourers to be imported to work
  - Be skilled workers, technical knowledge levels are consistent with the required positions;
  - Have clear biography and never been jailed or convicted of any criminal offenses;
  - Must follow the Lao regulations, laws and traditions;
  - Healthy, no communicable disease.
2. Documents required for approval
  - Application for foreign worker import (as per the form of SEZ);
  - Labour contract;
  - Biography of foreign workers (as per the form of SEZ);
  - Educational certificate;
  - Health certificate of foreign workers;
  - Copy of passport;
  - 4 photos of 3x4 size.
3. Procedures of consideration
  - The developer proposes and declares the list of name, nationality, position and duration of each person, as well as the relevant documents,

- to the One Stop Service Officer;
- SEZ Administrative Committee verifies and issues the labour import certificate (as per the form of SEZ);
- Administrative Committee/ Economic Administration Board verify, follow up and regulate the foreign labourers working in the SEZ based on the Work Permit and ID Card.



#### 4. Documents required for ID Card Application

- Application for ID Card; (as per the form of SEZ)
- Concession Registration Certificate (for developer);
- Enterprise Registration Certificate (for investors);
- Certificate from your company (for administrative officers and labourers);
- Labour contract;
- Copy of identity card, copy of family book and criminal record excerpt No. 3 (for Lao citizen);
- Copy of passport;
- Health Certificate;
- 2 photos of 3 x 4 size.

#### 5. Documents required for Work Permit Card

- Application for Work Permit Card; (as per the form of SEZ)
- Certificate from your company (for administrative officers and labourers);
- Labour contract
- Copy of identity card, copy of family book and criminal record excerpt No. 3 (for Lao citizen);
- Copy of passport

- Health Certificate;
- 2 photos of 3 x 4 size.

6. Procedures of consideration

- Submit an application for ID card/work permit card and other relevant documents to Small Administrative – Wider Society Office;
- Economic Administrative Committee/Board verifies the documents and coordinates with concerned sectors for the ID card and Work Permit card issuances.

