



Lao People's D

Part 2

Business cooperation by contract and determination of registered capital

Article 2: Business cooperation by contract

A foreign legal entity operating business cooperation by contract with a domestic legal entity as specified in Article

financial institutions, it shall comply with the regulations of the financial institution or the Bank of Lao PDR.

For registered capital in concession activities, the minimum rate has been defined in Article 12 of th

- Certificate of financial status and experience of the investor;
- Document about the status of foreign legal entity (if any);
- Copy of Identity Card (for Lao national) and passport (for foreigners);

An investor who wishes to invest in general business activities can request an application from the one-stop service of the planning and investment sector at the central and local levels or

After approval notification, and within 10 working days, the investor shall schedule a negotiation date with the planning and investment sector for the MOU/concession agreement. Beyond this time period or if the investor is unable to participate in the negotiation within 30 working days, the government will consider that the investor has renounced his/her right in the proposed investment.

When the planning and investment sector completes the MOU/agreement negotiation, the outcomes of the negotiation shall be reported to the meeting of the CIP prior to submitting it to the government or provincial/municipal authorities for the delegation of authority to sign the MOU/ concession agreement.

Article 15: Warranties

As specified in Article 23 of the Investment Promotion Law, the investor shall deposit warranties to guarantee the implementation of the MOU/agreement.

The conditions and amount of the warranties depend on the size, type, sector and agreement made during the MOU/concession agreement negotiation such as:

1. Electricity project:
 - installation capacity of 5MW or less , the warranties are US\$10,000;
 - Over 5 MW to 100 MW installation capacity,

Lao PDR) based on the exchange rates on the date the warranties are deposited as agreed in the MOU/agreement.

The warranties that are deposited to ensure the implementation of the MOU/agreement shall be returned to the investor when the investor fulfills his/her obligations and conditions as defined in the MOU/agreement. In the event the investor fails to fulfill his/her duties and conditions as defined in the MOU/agreement, the warranties shall be forfeited by the government.

Article 16: Concession registration certificate

As defined in Article 25 of the Investment Promotion Law, the concession registration certificate refers to the document which certifies that the investor can legitimately operate a business in compliance with the laws

Concession registration certificate shall contain the following items:

- Name of the enterprise;
- Location of the enterprise and/or the location of its operation;
- Approved investment activity;
- Form of the investment;
- Type, form and nature of the enterprise;
- Name of shareholders and the proportion of shares (calculated in percentage of the registered capital);
- Total capital and registered capital in LAK. In the event the investors declare the total capital and registered capital in foreign currency, they shall be calculated in LAK based on the exchange rate of the Bank of Lao PDR defined on the date concession registration certificate is issued;
- Tax obligations and customs duties;
- Other obligations (if any);
- Tax incentives (if any);
- Code for concession registration certificate (the same as the number of the concession registration certificate);
- enterprised identification number;
- Taxpayer identification number;
- Other information according to the specificities of the activities.

The concession registration certificate code of each enterprise is the same code to be used by all sectors for the purpose of monitoring and managing that enterprise. I

Article 19: Establishment of investment calling list

The Committee for Investment Promotion (CIP) is established to promote and manage the work related to domestic and foreign investments in Lao PDR. It consists of the central and local CIP.

The CIP is composed of the Chair,

- Consider approval of project lists or investment calling activities in accordance with the scope of its rights;
- Sign concession registration certificate or other authoriz

- Receive and provide services on application for business visa, work permit, resident permit of foreign investors and their family members, technicians and foreign workers;
- Issue a certificate of receipt of documents after confirming that the complete set of documents are provided in accordance with standard forms, and set a date for the investors or enterprises to receive a response about their submitted applications;
- Send documents and applications to the relevant sectors for further consideration;
- deliver response letters to investors, enterprise registration certificate, concession registration certificate, incentive granting certificates and other licenses mentioned above to the investors or enterprises after consideration and approval by the relevant sectors;
- Prepare meeting agenda and consolidate documents for the meeting prior to submitting the documents to the CIP for consideration;
- Issue an invitation letter to the CIP and the relevant sectors to attend

4. Good command of English and computer literacy;
5. Good interpersonal skills;
6. Good health.

Article 26: Rights and duties of staffs of the one-stop services office

1. Staffs of the one-stop service office shall have the following rights:
 - Attend meetings related to investment work;
 - Provide comments on the implementation of investment services;
 - Receive training, exchange lessons on the management of domestic and foreign investment;
 - Make decision as assigned by the respective sector;
 - Coordinate and follow up with responses from the respective sector in relation to the services under their responsibilities;
 - Propose suggestion to the CIP to improve coordination mechanism of their respective sector with other relevant sectors;
 - Receive awards and other benefits periodically for their contribution to investment work as appropriate;
 - Fulfill other rights as assigned by their hierarchical superior in accordance with the laws and regulations of Lao PDR.

2. Staffs of one-stop service office have the following duties:
 - Collect data and documents related to investment work and their respective sector to further submit to the one-stop service office;
 - Provide information and clarification on laws and regulations related to specialization of the respective sector;
 - Examine the complete set of required documents based on the standard forms and send them to the respective sector for further consideration in accordance with regulations;
 - Report on any matters related to their responsibilities to higher hierarchical supervisor on a daily, weekly and monthly basis;
 - Monitor and coordinate with the respective sector in providing investment services according to their rights and roles;
 - Perform other duties abilitiesd

that are interested in investing in Lao PDR and want to collect data on investment

Article 29: Scope of the rights and duties of the Representative Office

The

The investment in promoted activities and investment promoted zones as set out in Annex 1 and 2 of this Decree shall be exempted from profit tax as defined in Article 51 of the Investment Promotion Law.

The incentive and duration of profit tax exemption is determined

(3) years. Beyond this period, the remaining loss value cannot be deducted in the following year.

Article 37: Customs duty exemption

Business that invests in promoted activities as defined in Annex 1 and concession activities as defined in Annex 3 of this Decree shall be exempted from customs duties for import of raw material, equipment, machineries and vehicles to be used for direct production. Business entity concerned shall make an annual import plan and submit it to the financial sector at the central or local levels or send it to the one-stop service office of the planning and investment sector at the central or local level on a case by case basis.

For domestic and foreign investment enterprises that have received investment licenses before the Investment Promotion Law No. 02, dated 8 July 2009, and wish to enjoy the provision of the Decree related to customs duty exemption, they shall proceed with the same procedures as mentioned above.

Article 38: P

import and record in monitoring book and prepare and submit monthly and quarterly reports to the financial sector, industry and commerce sector as well as the planning and investment sector.

Article 39: Import tax exemption for construction items and machineries for production

Import of construction items and tools are authorized only for the construction of factories and buildings that are fixed assets of the enterprise only. For the quantity of the construction items and tools imported, it should be based on the model, design, construction works sheet that have been approved by relevant sector

equipments, generators, water pumps, professional tools, back-up electricity supplies, water tanks, gallons, asphalt tanks, fans, clippers, saws, iron models,

Ente 7001536 Who wish to request an approval for registering foreign workers entering
Labor (P.O. Box 13612) Tripoli, Libya. Phone: +963 13 4330553 Fax: +963 13 4330553 (12.00) 0120(3500) 19SW n450

1. Apply for work permit with the Ministry of Labor and Social Welfare or provincial or capital Department of Labor and Social welfare 0 0 1 359.04 702.68 Tm (L

The consideration of issuing resident permit and renewal as specified in Article 67 of the Investment Promotion Law shall be implemented in accordance with the Decree on the management of entry – exit of Lao PDR and the management of foreigners' No. 136/PM, dated 25 may 2009.

Article 58: Obligations of investors

The obligations of the investors to hold accounting, pay customs duties and taxes as defined in Article 69 point 1 and 2 of the Investment Promotion Law shall follow the steps described below:

- Declare all taxes in accordance with actual business activities and under proper conditions, within timeframe as defined in the Law on Taxes;
- Use invoices based on the Decree on Invoices;
- Hold accounting as defined in the Accounting Law of Lao PDR. If deemed necessary, other internationally accepted accounting systems can be used but should be subject to approval from the financial sector;
- Prepare a Statement of Account of the previous year and make a business activity plan as well as tax payment plan for next year to notify the taxation sector where the enterprise is located before 31 March of every year, and request for the certificate of annual tax clearance to be include

- The financial sector at the central or local level shall collect statistical data on the payment of profit tax, import value, amount of customs duty and tax payment ~~for 2017-2019 for 53,143,41 series, vehi~~ W n BT

Previously approved enterprises that wish to receive investment incentives in accordance with the Investment Promotion Law No. 02/PM dated 8 July 2009, shall submit their request within 90 working days from the date this Decree is promulgated to the following sectors:

- Businesses that invest in general business activities shall submit their request to the industry and commerce sector;
- Businesses that invest in concession activities shall submit their request to the planning and investment sector.

Article 66: Confirmation and approval of amendment to legal documents

Enterprises that received investment licenses before and after this Decree and wish to amend any legal document shall make a formal request for confirmation and approval of any changes on a legal basis change from the following authorities:

- Businesses that invest in general business activities shall make a request to the industry and commerce sector;
- Businesses that invest in concession activities shall make a request to the planning and investment sector where the enterprise was approved to sign the agreement.

Part 14

Policies toward those who performer well and measures against violators

Article 67: Policy toward those who perform well

Policy toward those who perform well as specified in Article 96 of the

Article 68: Measures against violators

Measures against violators as set forth in Article 97 of the Investment Promotion Law shall follow the procedures described below:

- Any individual who violates the Investment Promotion Law, hinder or obstruct the documentation process, neglect the assigned responsibilities shall be educated, disciplined or sued in accordance with the Laws and regulations of Lao PDR;
- Domestic and foreign investor who violates the law of Lao PDR shall be given a warning and will be subject to the following procedures:
 1. For the first offense, violator shall be warned, educated and advised to ensure the right implementation with a written record;
 2. For the second offense, measures will be imposed in accordance with the procedures defined in the Law as follow:
 - Business entities that do not use invoices or use invoices but do not conform with the Decree on Invoices; do not hold any accounting or hold improper accounting systems as specified in the Accounting Law of Lao PDR shall be imposed measures as defined in the Decree on Invoices, Accounting Law and Tax Law;
 - In case business entity does not fully fulfill its obligation, the financial sector shall not issue a tax clearance and shall not approve the import plan for raw materials, equipments, machineries and vehicles to be used for direct production until the business entity fulfils its tax obligations under the law. The financial sector has the right to propose to the planning and investment or industry and commerce sector to temporarily suspend the enterprise's activities.
 - Business entities that conduct business activities but do not declare taxes that are related to their business activities or make declaration beyond the

Final Provisions

Article 69: Implementation

The planning and investment, industry and commerce, finance and banking sectors together with other relevant sectors have duties to strictly implement this Decree.

Article 70: Effectiveness of the Decree

This Decree supersedes the Decree on the Implementation of the Law on Domestic Investment Promotion No. 300/PM, dated 12 October 2005 and the Decree on the Implementation of the Foreign Investment Promotion No. 301/PM, dated 12 October 2005 and enters into force from the date of signature.

Prime Minister of Lao PDR

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