

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Communication, Transport,
Post and Construction

No. 1413/49/MCTPC

REGULATIONS

On the establishment of businesses of transportation, shipping and repair services by the State, State-private collectives, and private individuals

Referring to Law on Business No. 03/94/NA, 18/7/94, and Customs Law No. 4/94/NA 18/7 94 and

Referring to the Law on Business Enterprise accounting No.12/90/PSA, dated 29/11/90,

The Ministry of Communication, Transport, Post and Construction, issues these REGULATIONS on the license to undertake transportation businesses by the State, collectives, with the following details:

Section I
General Principles

Article 1 Scope of Application of Regulations

This regulation document is applicable to all commercial units: transportation, shipping, repair, technical examination, mechanical vehicles, of the State, collectives, State- private partnerships and individuals, together with agencies of foreign transportation and shipping companies in Lao PDR.

Article 2 Application for Business Operation Permission

Persons or organisations (including Lao nationals, foreigners residing in, or foreign companies operating in Lao PDR, and Lao nationals in foreign countries) that intend to run transportation, shipping, transportation vehicle repair businesses in Lao PDR, all have to apply for a license to run the business from the MCTPC or from a

Article 4 Targets of the Issuance of Business Operation Permission

Issuance of a licence for transportation business operation targets those units of production operating businesses in the profession of transportation, shipping and transportation vehicle repair as follows:

4.1.1 All of the companies, enterprises, surface goods and passenger transportation associations on regular routes and non-regular routes, including those of the State, of collectives, of State-private partnerships, of private enterprises and individuals which are characteristically professional.

4.2 All of the transportation vehicles repair companies and services (automobiles, boats, other transportation vehicles) including those of the State, of collectives, of State-private partnerships, of private enterprises and individuals, which are characteristically professional.

4.3 All of the servicing companies doing international shipping dispatches, international transportation and other services, in-transit warehousing, loading/unloading, river-port, seaports, vehicle stations, packing, etc...) including those of the State, of the State-private ownership, which are professional.

4.4 All of the agencies of foreign companies in the business of international shipping and transporting registered and having offices stationed in the Lao PDR, which are professional.

Article 5 Persons Entitled to Obtain Business Operating Licence

Section III
On the Rights to Issue and Make Use of Licences
To Run Business of Transportation,
Shipping and Transportation Vehicle Repair Services

Article 13 Persons with the Right to Issue Business Operation Licences

The issuance of licences to undertake the business of transportation, shipping and transportation vehicle repair services is divided into two levels and has the same purpose, which depends upon the size of the enterprise and the scope of business production activities.

- A. MCTPC Ministerial level issuance.
1. State and private companies to invest 50 million kip or more.
 2. Companies, partnership enterprises, collectives, private enterprises, joint ventures with foreign countries, 100% foreign country ventures that intend to run business, both domestic and foreign.
- B. Provincial/Municipality level issuance.
- Companies of the State, State partnerships, collectives, private enterprise and individuals that intend to run transportation business within the provinces or the municipalities, and amongst their own provinces, their own districts.

Article 14 The Rights in Making Use of Licences to Run Businesses

1. Licences to run businesses specified in the above Article 13 can be used only by the person authorised; transfer or assignment to another to run businesses on one's behalf is absolutely prohibited.
2. In case the licence is lost, it is imperative to urgently inform the issuing organisation or one's superiors in order to replace it with a copy.
3. All changes in form of business activities/transactions, e.g., the goals/targets and scopes of activities, transportation fares or service fares and others, which are beyond what are authorised in the economic analysis at the time of the establishment, must be submitted to the superior or the issuance organisation to study, amend and agree/approve before being put into practice.

Article 15 Term of Business Operation Licence

The validity term of the business operation licence is 1 year. Three months before the date of expiry of the business operation licence, the company is suggested to submit an application to renew the licence; during the period awaiting the response the company is licensed to operate its normal activities. As for any companies that have been previously authorised before the enforcement of these present REGULATIONS, they are advised to submit a new application asking for a replacement with a new business operation licence within 90 days, otherwise the business operation licence shall lose its validity in transaction.

