





In the case of foreign tour companies, with shareholders either from the state or from private Lao companies, who are already established, they may continue their activities until the date of the expiry of the special agreement contracts.

Article 7: Procedures for the Establishment of Tour Service Companies and Their Business Activities.

7.1 Any company, which has permission for their establishment should be perfectly in accordance with those conditions specified in Articles 13, 16 and 17 and must have satisfied the inspection process in accordance with Article 20 of this regulation, before receiving a business license.

7.2 After receiving a business license legally, such tour service companies must register with the Enterprise Registration, the Tax Department, the Ministry of Finance, in the case of international companies, or with the appropriate financial sections in the case of border service companies. All branches of a domestic company based in Vientiane municipality must register on an individual basis and operate in accordance with the law.

Any business or individual who violates these regulations and the Prime Minister's Decree No. 46/PM dated March, 1993 will be fined or warned depending on the circumstances.

Article 8: Altering the Structure of an Enterprise or Company

Any tour service company which has been running a business for some time, and who wishes to change its structure as approved by the law, should first apply to the National Tourism Authority and register with the Enterprise Registration with the appropriate authorities before it can conduct its business legally.

All changes regarding changes in shareholders, contracts, owners' rights and the Board of Directors, should be formally conveyed to the National Tourism Authority and other concerned sectors.

Any such changes which are made without prior notice to the National Tourism Authority for their approval or acknowledgement, will render such a company liable to having its activities suspended and in contravention of the regulations.

Article 9: The Duration of Business Operations License

A Business Operators license is valid for 2 years. At the end of this time, the tour business company must apply for an extension and pay the appropriate fees, in accordance with this regulation. This procedure must be followed upon every expiry. Each application on the expiry of a Business Operators License should be accompanied by the following documents:

An application for the extension of business operations.

- 9.1 The latest tax payments (business tax and profit tax).
- 9.2 The current company Balance Sheet.
- 9.3 A bank statement certifying the financial status of the company.

## Part II The Roles and Duties of Tour Service Companies

### Article 10: Roles and Duties

Tour service companies have the following roles and duties:

- 10.1 To create tour programs under its possibility and to inform the National Tourism Authority of the prices of each tour program.
- 10.2 To advertise and promote Lao tourism both at home and abroad.
- 10.3 To select contract partners (sub-contractors)
- 10.4 To submit their plans for the reception of tourists entering Lao PDR every year to the concerned authorities such as the National Tourism Authority, Consular Departments, the Ministry of Foreign Affairs, Department N2 of the Ministry of the Interior, (for those tour services businesses located in the Municipality of Vientiane and registered with the Enterprise Registration to the Ministry of Finance). In addition, those tour service business companies based in the Municipality of Vientiane and enrolled with the Enterprise Registration, should inform the appropriate sections of the Vientiane Municipal Authorities of their tour programs.
- 10.5 To take care of the arrival and the departure of tourists, and to provide those previously mutually agreed tour services for their contract partners in accordance with these regulations in order to ensure good quality of service.
- 10.6 To comply with the various regulations relating to tourism activities, the arrivals and departures of tourists, taxation, finance and others.
- 10.7 To submit any existing undertakings with foreign countries to the Lao National Tourism Authority in order that these may be formally accepted and registered under the court system.  
After formal court registration, the tour service company should submit one set of these documents to the Lao National Tourism Authority, the Consular Departments, the Ministry of Foreign Affairs, and Department N2 of the Ministry of the Interior.  
In the case of those tour service companies based and registered in the municipality of Vientiane one set should be sent to the various sectors of the municipality involved.
- 10.8 In order to fulfill its obligation to the state and to the National Fund for the Promotion of Tourism, less than 5% of its business income (besides payment of other taxes) should be paid in accordance with the regulations and at the correct times.
- 10.9 To apply for approval for the appointment of representatives or for opening branches either within the municipality of Vientiane or abroad according to the particular needs of the international tour service company.
- 10.10 To implement a system of financial accounting which in accordance with that specified by the state.

- 10.11 To co-operate with the appropriate authorities in order to promote and develop the various forms of tourism within the municipality of Vientiane, to preserve the unique customs, be they local or traditional, and to create a fine atmosphere.
- 10.12 To implement all the regulations and laws strictly and correctly.
- 10.13 To facilitate the authorities involved in the execution of their duty in respect of company activities.
- 10.14 To safeguard the independence, sovereignty and the maintenance of social order of the state when entering into agreements with foreign companies.  
Any agreements or contractual obligations, which are against the spirit of these ideals, will be considered as cancelled and invalid.
- 10.15 To invest in those tourist products which demonstrate the uniqueness of Lao after having conducted the business for at least two years.

### Part III The Type and Scope of the Activities of Tourist Service Companies

#### Article 11: The type of tourist service

The tourist service company should be able to provide a basic standard which is fully in accordance with Articles 13, 16 and 17 before being granted a license for the conduct of business.

Tourist Service Businesses are divided into the following three types:

##### 11.1 International Tourism

Such companies must lodge a bond of 10,800,000 kip (ten million and eight hundred thousand kip) equivalent to US\$15,000 with the National Tourism Authority.

##### 11.2 Border Tourism

Such companies must lodge a bond of 7,200,000 kip (seven million and two hundred thousand kip), equivalent to US\$10,000 with the National Tourism Authority through the particular tourist cabinet office involved.

##### 11.3 International and Border Tourism

Such companies must lodge a bond of 10,800,000 kip (ten million and eight hundred thousand kip) equivalent to US\$15,000 and 7,200,000 kip (seven million and two hundred thousand kip) equivalent to US\$10,000. If there is a need to provide a provincial border service then further bonds of 7,200,000 kip must be lodged and so on.

Notice: The bonds must be either in the form of a cash payment or by a letter of guarantee from a bank based in the Lao PDR.

These bonds will be used to pay for any damages or debts incurred by the tourism service company in favor of a third party.

In the case of previously licensed tourist service companies, if after inspection by the National Tourism Authority, it is found that they have insufficient capital to meet the specified standards and conditions required for the provision of border tourist services, then they will have a period of three months which they can attempt to raise funds from other sources in order to meet the necessary requirements.



Article 15: Exclusions

- 15.1 Any state employee is not permitted to run a tourist service company or to engage in the tourism industry ~~cept~~ with special permission.
- 15.2 Any family members, husbands, wives ~~children~~, of employees or agents of the National Tourism Authority are npermitted to conduct tourism businesses or to be shareholders in such enterprises.

Article 16: Qualifications of Employees in Tourist Service Companies and the Tourist Industry

- 16.1 Any employee of a service company must ~~be~~ well-versed in social and political ideology, both in theory ~~and~~ practice. Two thirds ~~of~~ the employees should be able to speak at ~~least~~ one foreign language.
- 16.2 The director or manager of a tourist ~~service~~ company should be experienced in running such a business and be able ~~to~~ speak and write at least two foreign languages, one of which should be English.
- 16.3 The tour guides of the company ~~should~~ satisfy the following criteria:
- have graduated from high school
  - be able to speak and write at ~~least~~ one foreign language (either French or

- 17.1.4 All vehicles (including boats) used for tourist purposes must be roadworthy and fully insured. This insurance should cover loss of life, theft of property and accident.
- 17.1.5 Have submitted a plan, in accordance with Article 10 and 15 of this regulation, of the promotion of the uniqueness of Lao PDR. This must be implemented after two years of operation.
- 17.1.6 Have five officially approved tour programs in accordance with its range of responsibilities.
- 17.1.7 The cost of these programs should be reasonable and internationally competitive.

## Part VI

### Concerning the regulations on the establishment of a Tourist Business Company

#### Article 18: The Application Documents for a Tourist Service Company

Any person or individual wishing to run a tourist business company in accordance with the conditions stated in Articles 13 and 16 of these regulations should submit the following documents:

- 18.1. An application for the establishment of a tourist business company
- 18.2. The company regulations and the shareholders' agreement
- 18.3. A list of staff including for each member:
  - 18.3.1. A biography. This should be certified by the Chief of the Village and not be older than 3 months.
  - 18.3.2. A Certificate of Health issued by a state hospital (Board of Directors).
  - 18.3.3. A valid identity card (copy)
  - 18.3.4. In the case of the owner or director a certificate of no criminal record.
  - 18.3.5. Certificates of training undertaken by tourist guides.
- 18.4. A three to five year feasibility study
- 18.5. An insurance certificate insuring against civil damages, either from a local or foreign insurance company.
- 18.6. A list of at least five tour programs including their costs.  
\*These programs should be unique and not similar to those offered by other companies.
- 18.7. Initial agreements with hotels providing tourist accommodation.
- 18.8. An outline of the project for promoting the uniqueness of Lao PDR detailing the investment and plans.
- 18.9. A certified financial statement showing the assets of the company.

Those documents detailed in 18.3, 18.5, 18.8, and 18.9 may be submitted after receipt of the official approval or during an inspection.



- 23.4. First time offenders may be warned ~~and~~, but persistent offenders will face severe penalties.
- 23.5. Violating the laws of the country
- 23.6. Procuring prostitutes for the tourists ~~(he~~ within the country or abroad).
- 23.7. Providing counterfeit or fraudulent

Article 29: Backdating of Enforcement

The enforcement of this regulation will be