



Domestic investors may invest in all types and forms of enterprise as set out in the Business Law.

During business operations of a domestic enterprise, assets of the enterprise shall not be less than its registered capital.

#### **Article 5: Protection of Domestic Investment**

Assets and investments of domestic investors will be fully protected by laws and regulations of the Lao PDR without seizure, confiscation or nationalisation, except if necessary for public purposes, in which case the investors will be compensated in accordance with laws and regulations.

### **CHAPTER II Rights, Benefits and Obligations of Domestic Investors**

#### **Article 6: Rights and Benefits of Domestic Investors**

Domestic investors shall have the following rights and benefits:

1. To be provided with facilities from the State to establish and conduct production and businesses within the country and foreign countries in accordance with laws and regulations;
2. To receive protection of their legitimate rights and benefits in relation to business operations;
3. To possess assets such as rights of management, use, transfer and succession, and benefits in relation to their investments;
4. To be provided with facilities in receiving credits from various financial institutions in accordance with regulations;
5. To receive assistance or instructions on technology, techniques and information from the State regarding production and business operations;
6. To receive promotion and support from the State in relation to marketing and prices of their products;
7. Domestic investors residing in foreign countries, after full payment of duties, taxes and other fees, may transfer profits and capital in relation to business operation and other income in conformity with laws to their country or a third country through a commercial bank located in the Lao PDR in accordance with the exchange rates at the date of the transfer.
8. Domestic investors and their families, foreign professionals and employees of a domestic enterprise will be provided with facilities such as multiple entry visas and long term residence in the Lao PDR with the agreement of the Government;
9. To receive protection of their intellectual property which has been registered with the relevant authorities of the Lao PDR;
10. To request an equitable decision from or to file a complaint to the relevant authorities when their business operations have been affected.

#### **Article 7: Obligations of Domestic Investors**

Domestic investors shall have the following obligations:

1. To operate production and businesses in accordance with the licences and procedures set out in their feasibility study or a business plan, a contract and laws and regulations;
2. To maintain accounts in accordance with the Enterprise Accounting Law and submit a financial report to relevant authorities. Such financial report shall be audited by the State Audit Organisation or an independent audit company established in the Lao PDR under regulations;

7. Production of raw materials and equipment to be supplied to key industrial activities;
8. Development of tourism and transit services.

**Article 10: Promoted Zones**

3. Exemption of import duties and taxes on equipment, spare parts, vehicles directly used for production, raw materials which do not exist domestically or exist but are insufficient, semi finished products imported for manufacturing or for processing for the purpose of export; and
4. Exemption of export duty on export products.

Raw materials and semi finished products imported for manufacturing or assembly for import substitution will be exempted from import duties and taxes or will be subject to reduced rates of import duties and taxes.

Special economic zones, industrial zones, border trade areas and other specific economic zones shall follow the laws and regulations of such specific areas.

## **CHAPTER IV**

### **Application for a Domestic Investment Licence**

#### **Article 12: Application for Domestic Investment**

Individuals or juristic entities wishing to invest in any socio-economic sector related to concession and investment activities as described in Article 9 and 10 shall fill out a standard application form provided by the Committee for Promotion and Management of Investment ("CPMI") and attach copies of their family registry book, resume, feasibility study or business plan; background information on their enterprise in the case of a juristic entity; and a joint venture agreement in the case of a Joint Venture and thereafter submit the application form and required documents.

Apart from the activities mentioned above investors shall submit an application to a trade authority.

#### **Article 13: Examination of Domestic Investment Application**

Upon receipt of an application and supporting document as described in Article 12 of this Law, the Committee of Promotion and Management of Domestic Investment and the trade authority shall examine and respond in writing to the domestic investor within to the following timeframes:

- For activities involving the grant of a concession CPMI shall respond within thirty working days. For other activities the response shall be given within twenty working days;
- For general activities, trade authorities shall respond within twenty working days.

Qualified domestic investors submitting an application to CPMI will obtain an investment licence, enterprise registration certificate and tax registration certificate all together at the CPMI where applications are submitted.

Qualified domestic investors submitting an application to a trade authority shall obtain an enterprise registration certificate and tax registration certificate at the trade authority where applications are submitted.

Thereafter the enterprise shall be considered as an enterprise established under the laws. Within 90 days the enterprise shall commence business activities in accordance with the feasibility study or business plan attached with the application form for the

10. To exercise and perform other rights and duties as prescribed in the laws and regulations.

#### **Article 17: Rights and Duties of CPMI at the Provincial Level**

The Committee for Promotion and Management of Investment at provincial level is established by the Chairman of the CPMI at the central level. The CPMI at the provincial level acts as a support to the provincial Governors, the capital city Governor, the Special Zone Head and the CPMI at the central level in promoting and managing domestic investment. The CPMI at the provincial level is located at the provincial Planning and Investment Divisions and has the following rights and duties:

1. To implement strategic plans and policies to promote and attract domestic investments at their local levels;
2. To disseminate policies, laws and regulations, provide information and facilitate domestic investors;
3. To consider issuing or withdrawing investment licences within the scope of their rights and duties;
4. To coordinate with various relevant sectors in implementing the incentive policies within the approved projects and in implementing the decisions, orders, instructions and notifications of the higher level authorities;
5. To monitor, inspect, assess and report to the provincial governors, the capital city governor or the Special Zone Head and CPMI at the central level regarding domestic investment at their local levels;
6. To act as a focal point in solving problems related to domestic investment;
7. To organise CPMI annual meetings at provincial level and consultative meetings with domestic investors;
8. To exercise and perform other rights and duties as prescribed in the laws and regulations.

#### **Article 18: Rights and Duties of the Relevant Sectors and Sections**

The relevant ministries, organisations equivalent to ministries and other relevant sectors shall assist in the promotion and management of domestic investments in accordance with their rights and duties as follows:

1. To coordinate with the CPMI at the central level in drafting laws, regulations, policies and plans in relation to domestic investment;
2. To prepare a plan and list of investment projects to attract investment to their sectors, to disseminate and provide information, attract and promote investment;
3. To participate in the process of consideration and approval of investment projects;
4. To supervise the sectors both at central and local levels in implementing incentive policies and in revising procedures regarding implementation of investment projects;
5. To inspect and assess business operations of domestic investment enterprises within their scope of rights and duties;
6. To exercise and perform other rights and duties as prescribed in the laws and regulations.

The administrative authorities and sectors at the local level described above shall coordinate with the CPMI and trade authorities at the local level within the scope of

## **CHAPTER VIII**

### **Final Provisions**

#### **Article 25: Implementation**

The Government of the Lao People's Democratic Republic shall implement this Law.

#### **Article 26: Effectiveness**

This Law will become effective sixty days from the date of the issue of a Promulgating Decree of the President of Lao People's Democratic Republic. Thereafter, the Law on the Promotion of Domestic Investment No. 03/95/NA, dated 14 October 1995 will be abrogated without affecting the rights, benefits and obligations granted to domestic investors or those which need to be exercised under the Law No. 03/95/NA. Domestic investors who have been licensed under the Law No. 03/95/NA and who wish to obtain incentives provided by this amended Law on Promotion of Investment shall re-file an application for investment.

The Chairman of the National Assembly