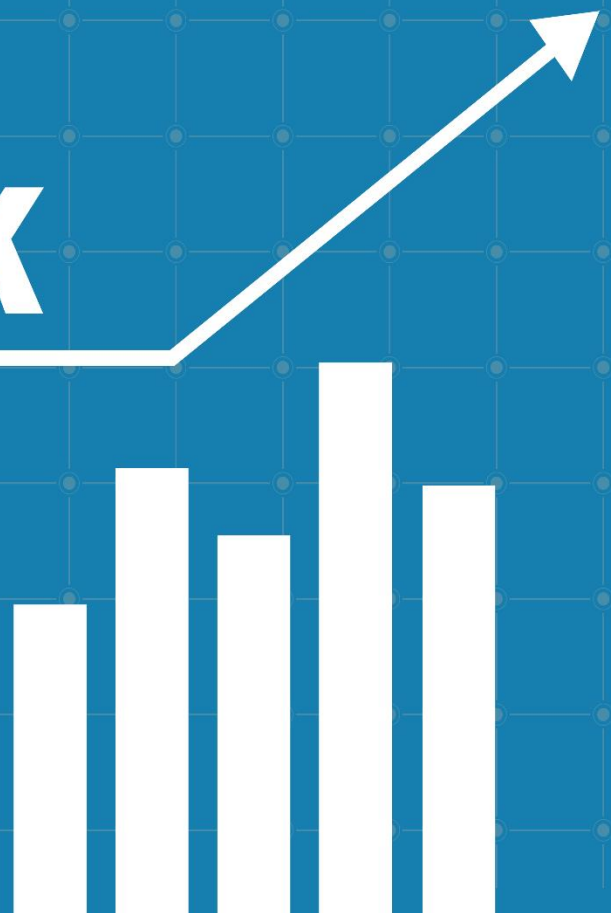




Investment Handbook

Lao PDR 2022

Ministry of Planning and Investment



Investment Handbook for Lao PDR



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ABBREVIATION

BOT	Build-Operate-Transfer
CA	Concession Agreement
CIPM	Committee for Investment Promotion and Management
CCIPM	Central Committee for Investment Promotion and Management
COSO	Central Investment One Stop Service Office
Day(s)	Official Working Day(s)
DPI	Department of Planning and Investment
DoIC	Department of Industry and Commerce
DoF	Department of Finance
DoNRE	Department of Natural Resources and Environment
DEM	Department of Energy and Mines
DAF	Department of Agriculture and Forestry
DLSW	Department of Labor and Social Welfare
DPWT	Department of Public Works and Transport
DICT	Department of Information, Culture and Tourism
DPS	Department of Public Security
EIA	Environment Impact Assessment
IEE	Initial Environmental Examination
EMMP	Environment Management and Monitoring Plan
ERM	Enterprise Registration and Management Department
FS	Feasibility Study
IIC	Investment Incentive Certificate
IPD	Investment Promotion Department
IP	Investment Promotion
LPRP	Lao People's Revolutionary Party
NSEDP	National Socio-Economic Development Plan
MAF	Ministry of Agriculture and Forestry
MEM	Ministry of Energy and Mines
MICT	Ministry of Information, Culture and Tourism
MLSW	Ministry of Labor and Social Welfare
MoF	Ministry of Finance
MoIC	Ministry of Industry and Commerce
MoNRE	Ministry of Natural Resource and Environment
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
MPS	Ministry of Public Security
MPWT	Ministry of Public Works and Transport
OSO	Investment One Stop Service Office

OPPP	Office of Public-Private Partnership
PCIPM	Provincial Committee for Investment Promotion and Management
PDA	Project Development Agreement
PPP	Public Private Partnership
PPPO	Public Private Partnership Office
POSO	Provincial Investment One Stop Service Office
SEZ	Special Economic Zone
SEZA	Special Economic Zone Authority
SEZO	Special Economic Zone Office
SP	Solicited Proposal
TIN	Tax Identity Number
USP	Unsolicited Proposal

Preface

In order to achieve sustainable development and green growth, the Government of Laos strives to attract more private investments into the country, which resulted in the gradually growth of private investment that play a significant role in bringing capital, new technology, innovation, and know-how to the country and can enable Lao businesses to access bigger markets. Ministry of Planning and Investment plays a key role in coordinating with all line agencies to promote and regulate investment in accordance with the Law on Investment Promotion (2016) and other relevant regulations. The Investment One Stop Service was established at the Ministry of Planning and Investment in August, 2018 to provides comprehensive services for investors such as providing investment related information, facilitating investment application and approval processes, and issuing Investment Licenses and various investment related notices. However, misperception regarding investment regulations, procedures and responsible agencies remains persistent among some private sector and public agencies.

Therefore, the main objective of this Handbook is to provide guidance and reference for investors and government officials to both acknowledge and fully understand regulations and rules regarding investment processes in Lao PDR.

We hope that this Investment Handbook will be useful to everyone. To further improve the quality of the Investment Handbook in the future, we sincerely welcome your constructive feedbacks.

Minister

Part 01

Investment Promotion Agencies

1.1 Ministry of Planning and Investment

The main role of the Ministry of Planning and Investment “MPI” is to supervise macro policies regarding development planning and investment, national statistics, strategy, develop and implement the National Socio-Economic Development Plan (NSEDPlan), establish mechanisms and policies related to economic management, and to promote and manage domestic and foreign direct investment and Special Economic Zones (SEZ) throughout the country. MPI is a focal point for improving the business environment to attract foreign investment and oversees public investment. MPI is also responsible for mobilizing and managing Official Development Assistance (ODA) funds on bilateral and multilateral levels. One of MPI’s roles is conducting research and providing recommendations on economic and development policies including measures to minimize economic impacts to Lao PDR and establishing a National Statistics database to serve the public.¹

1.2 Investment Promotion Department

The Investment Promotion Department “IPD” at MPI, acts as the Central Investment One Stop Service Office (COSO) to coordinate, analyze, report, address and facilitate investment procedures. It also works to attract, promote, protect, and regulate private investment and Public Private Partnership (PPP) in accordance with Law on Investment Promotion (2006). The main roles and responsibility of IPD are highlighted as below:

- To be the focal point for promoting and regulating private investment, PPP in Lao PDR and Overseas Investment by coordinating with relevant departments at the central and local levels under Investment One Stop Service mechanism and serves as the secretariat of the Central Committee for Investment Promotion and Management (CCIPM);
- Develop laws and regulations, strategy and policies to attract, promote, protect and regulate investment;
- To be a center for information and investment statistics and collect and provide initial explanations on various concerns of investors and developers;

¹ Decree on Role and Function of MPI, Prime Minister No.201/PM, dated 30 June 2017.

- To consider investment applications for concession investments including PPP projects, Controlled Business Activities, representative office establishment and overseas investments in accordance with the guidelines, the socio-economic development policy in each period, laws and regulations of Lao PDR in coordination with relevant central and local authorities;
- Review and provide comments for proposals and requests related to domestic and foreign investment to report to the meeting of the CCIPM for consideration, approval, rejection or guidance on requests in accordance with laws and regulations;
- Prepare, research, and negotiate Memorandum of Understanding (MOU), various types of concession agreements and legal documents related to domestic and foreign private investment in Lao PDR in accordance with laws and regulations;
- Draft Investment License, License to establish a representative office, License for Overseas Investment, Investment Incentive Certificate (IIC), annual import plan certificate, investment suspension notice, warning notification in case the investor or developer fail to implement investment project base on the MOU and investment agreement in or non-compliance with laws and regulations;
- Draft termination notices for MOU and investment agreements; notices for Investment License revocations, notices for renewal or expiration of MOU and investment agreements for approval in accordance with regulations;
- Support, monitor, inspect and recommend solutions to address investment issues at the higher level;
- Facilitate, monitor and regulate investors and their families, experts, technicians and foreign workers in Lao PDR;
- Manage and utilize grants and technical assistance from foreign countries and international organizations in the Department in accordance with the projects' objectives and relevant regulations.

1.3 Investment One Stop Service Office

The Investment One Stop Service Office or OSO is the permanent office of the Committee for Investment Promotion and Management (CIPM) that provides a number of services to facilitate investment process for investors. The Investment One Stop Service Office consists of two levels as follows: Central Investment One-Stop Service Office (COSO), and Provincial Investment One-Stop Service Office (POSO).

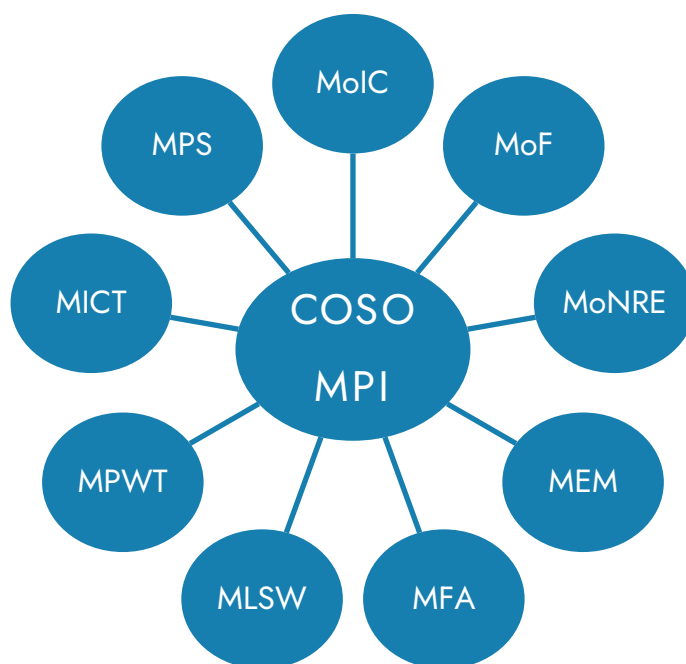
□ CENTRAL INVESTMENT ONE STOP SERVICE OFFICE (COSO)

The COSO is located at MPI. COSO consists of representatives from IPD, MPI and

non-standing representatives from Ministry of Industry and Commerce (MoIC), Ministry of Finance (MoF), Ministry of Natural Resources and Environment (MoNRE), Ministry of Energy and Mines (MEM), Ministry of Agriculture and Forestry (MAF), Ministry of Labor and Social Welfare (MLSW), Ministry of Public Works and Transport (MPWT), Ministry of Information, Culture and Tourism (MICT) and Ministry of Public Security (MPS).

Each ministry or ministry-equivalent body has to establish a coordinating unit for One-Stop Service under the supervision of its minister or deputy minister who is a member the CCIPM.²

Figure 1: Central Investment One Stop Service Office Structure



Service Provisions

- Process the application for Investment License and IIC, establishment of representative office of foreign company;
- Provide service on facilitating application for business visa, multiple-entry visa, work permit and stay permit card;
- Facilitate the application for the legal changes of businesses in controlled business list and concession activities, Special Economic Zone (SEZ), Public-Private Partnership (PPP), Overseas investment and the representative office;
- Provide relevant investment information;

²In accordance with the Decision on Implementation and Functioning of the Investment One Stop Service Office and Coordinator of Central Investment One Stop Service Office, No. 002/CCIPM, dated August 20, 2018.

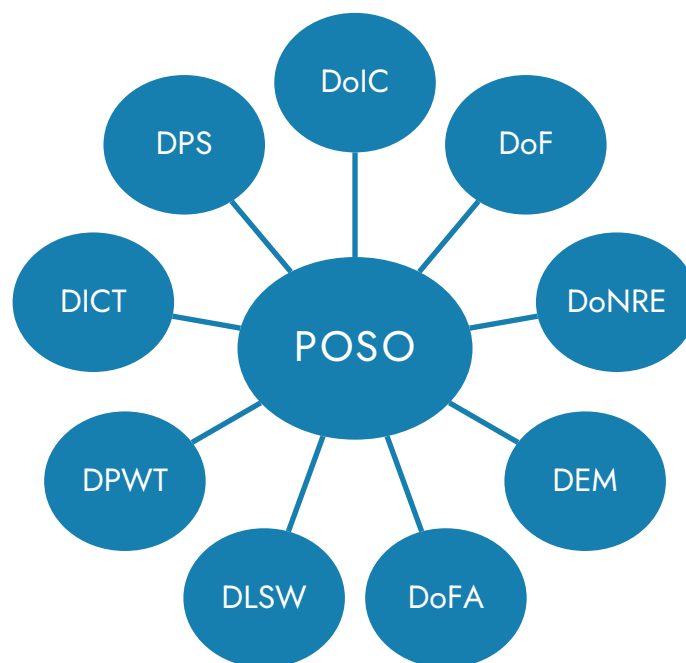
- Coordinate with concerned public agencies for enterprise registration and/or for a Business Operating License;
- Other services related to investment promotion.

□ PROVINCIAL INVESTMENT ONE STOP SERVICE OFFICE (POSO)

The POSO is located at the Department of Planning and Investment (DPI) of the province. POSO consists of representatives from Department of Planning and Investment (DPI), Department of Industry and Commerce (DoIC), Department of Finance (DoF), Department of Natural Resources and Environment(DoNRE), Department of Energy and Mines (DEM), Department of Agriculture and Forestry (DAF), Department of Labor and Social Welfare (DLSW), Department of Public Works and Transport (DPWT); Department of Information, Culture and Tourism (DICT) and Department of Public Security (DPS) at the province.

Each provincial department has a duty to establish its coordinating unit for One-Stop Service under the supervision of Director General of the relevant departments who is a member the Provincial Committee for Investment Promotion and Management.

Figure 2: Provincial Investment One Stop Service Office Structure



Service Provisions

- Process Investment License and IIC;
- Provide service on application for business visa, multiple-entry visa and work permit and stay permit;

- Provide service on the application for legal changes for enterprises in Controlled Business Activities and Concession Activities;
- Provide relevant investment information;
- Other services related to investment promotion.

1.4 Committee for Investment Promotion and Management (CIPM)

The Committee for Investment Promotion and Management (CIPM)³ is non-permanent office that supports the government and local authorities in formulating policy frameworks, considering and approving investment applications for Controlled Business and Concession activities, and address investment related issues as roles and responsibilities stipulated in relevant law and regulations⁴. The Committee consists of two levels:

Committee for Investment Promotion and Management at central level (CCIPM) and Committee for Investment Promotion and Management at provincial level (PCIPM).

□ CENTRAL COMMITTEE FOR INVESTMENT PROMOTION AND MANAGEMENT (CCIPM)

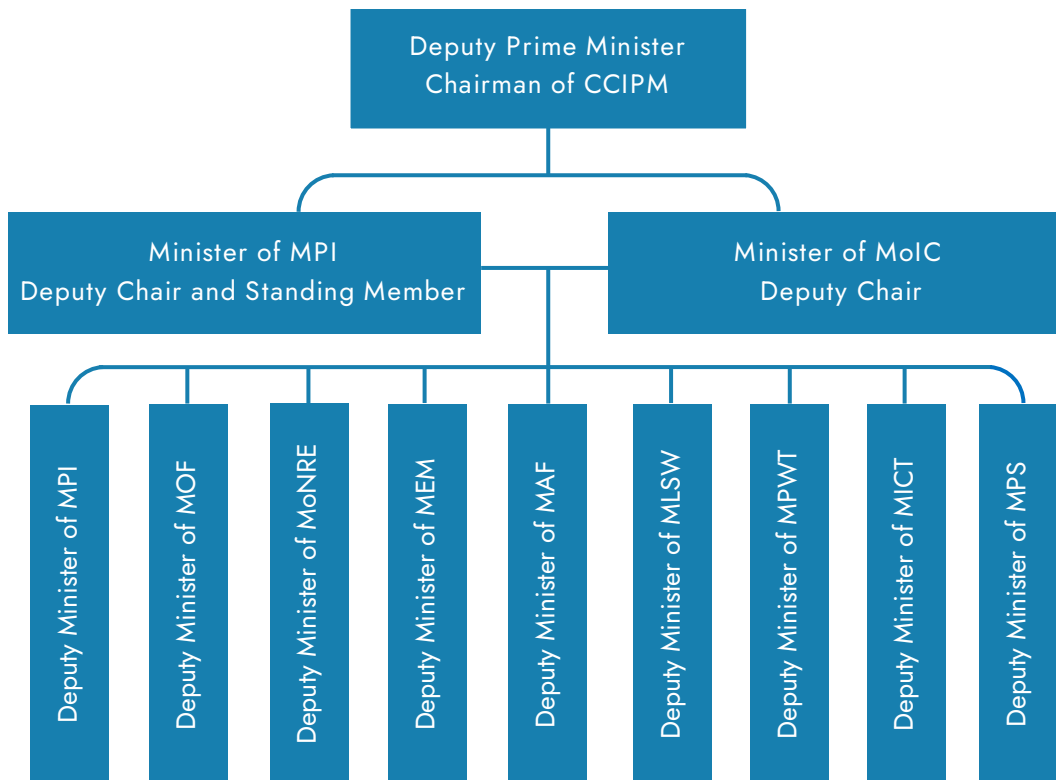
CCIPM consists of:

- 1) Deputy Prime Minister as chair;
- 2) Minister to the Ministry of Planning and Investment as deputy chair and standing member;
- 3) Minister to the Ministry of Industry and Commerce as deputy chair;
- 4) Deputy Minister to the Ministry of Planning and Investment as standing member;
- 5) Deputy Minister to the Ministry of Finance as member;
- 6) Deputy Minister to the Ministry of Natural Resources and Environment as member;
- 7) Deputy Minister to the Ministry of Energy and Mines as member;
- 8) Deputy Minister to the Ministry of Agriculture and Forestry as member;
- 9) Deputy Minister to the Ministry of Labor and Social Welfare as member;
- 10) Deputy Minister to the Ministry of Public Works and Transport as member;
- 11) Deputy Minister to the Ministry of Information, Culture and Tourism as member;
- 12) Deputy Minister to the Ministry of Public Security as member;

³ On the 22nd August 2022, Prime Minister's Office issues the Notification No. 91/PMO to terminate the CIPM in approving concession and controlled business activity. The government is in the process of revising Investment Promotion Law regarding investment approval process.

⁴ Law on Investment Promotion (2016) and the Decree on Implementation of the Committee for Investment Promotion and Management, No. 05/PM, dated 05 January 2018.

Figure 3: Central Committee for Investment Promotion and Management Structure

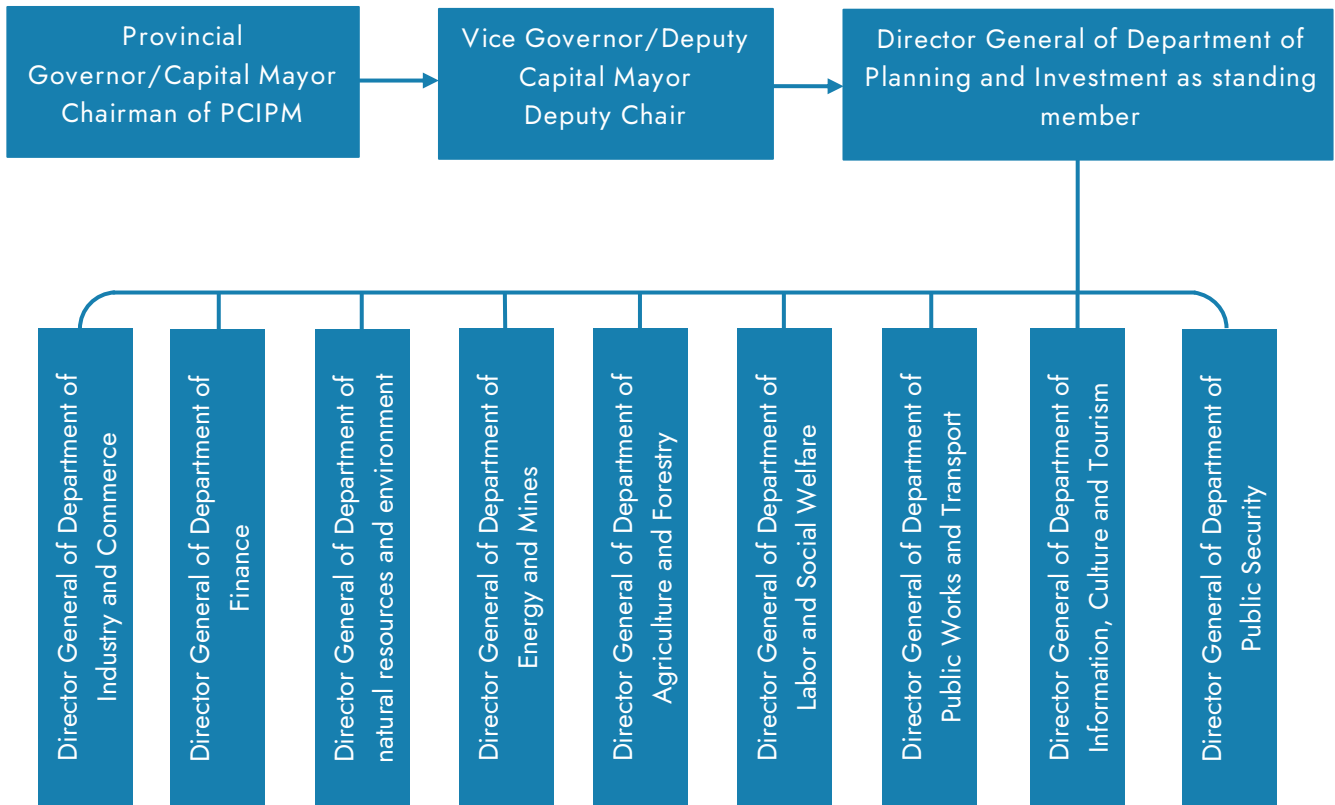


□ PROVINCIAL COMMITTEE FOR INVESTMENT PROMOTION AND MANAGEMENT

PCIPM consists of:

- 1) Provincial Governor, Capital Mayor as chair;
- 2) Vice Governor, Deputy Mayor as deputy chair;
- 3) Director General of Department of Planning and Investment as standing member;
- 4) Director General of Department of Industry and Commerce as member;
- 5) Director General of Department of Finance as member,
- 6) Director General of Department of Natural resources and Environment as member,
- 7) Director General of Department of Energy and Mines as member;
- 8) Director General of Department of Agriculture and Forestry as member;
- 9) Director General of Department of Labor and Social Welfare as member;
- 10) Director General of Department of Public Works and Transport as member;
- 11) Director General of Department of Information, Culture and Tourism as member;
- 12) Director General of Department of Public Security as member.

Figure 4: Provincial Committee for Investment Promotion and Management Structure



1.5 Enterprise Registration and Management Department, MoIC

The Enterprise Registration and Management Department “ERM” at Ministry of Industry and Commerce (MoIC) regulates enterprise registration as following detailed functions⁵:

1. Manage all types of enterprise registrations (state, mixed, cooperation and private enterprise);
2. Enterprise registration services for investors;
3. Collect, manage and provide enterprise information to the public;
4. Enhance the business environment or promote business establishment for investors.

In addition to the four roles mentioned above, the Enterprise Registration and Management Department also has a duty to provide relevant legal advice to investors.

⁵ Decision on the Role and Function of the Enterprise Registration and Management Department No. 1752 , dated 19 September 2016.

Part 02

Investment Incentives

2.1 Investment Incentives

The Government promotes both domestic and foreign investment by developing a favorable investment climate, including construction of infrastructure, providing necessary information, clearly communicating information on customs and tax policies, labor, and the rights to land use; providing access to finance, maintaining equal treatment, promoting awareness and protecting ownership regarding use rights, usufruct rights, inheritance rights, transfer rights, and other rights as provided by law.

The Government promotes investment in all sectors, in business operations and in areas throughout the country except for areas and business operations which are considered detrimental to national security, the natural environment, and public health and national culture at present and in the long-term.







Investment incentives consist of:

1. Incentives by business sector;
2. Incentives by zone;
3. Incentives on tax and land lease or land Concession.

2.1.1 Investment Incentives by Business Sectors

Figure 5: List of Promoted Business Sectors

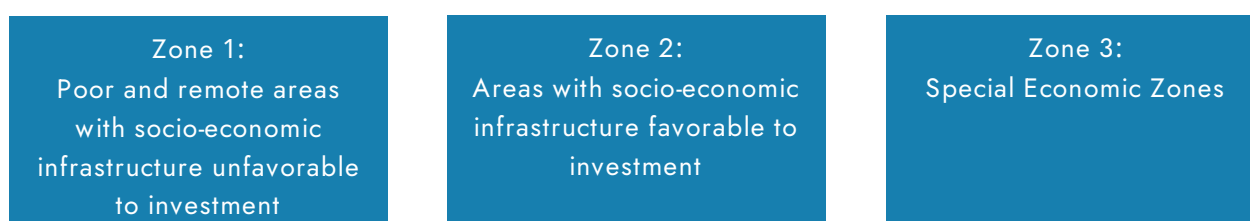
	<p>1. Applying high and modern technology, scientific research, research and development, innovation, environmentally friendly practices, and efficient use of natural resources and energy;</p>
	<p>2. Clean agriculture, toxic-free agriculture, seed production, animal breeding, industrial crop and plant plantation, forestry development, environment and biodiversity protection, activities promoting rural development, and poverty reduction;</p>
	<p>3. Environmentally friendly agroprocessing industry, handicraft industry Specializing in national traditional and authentic handicrafts;</p>

	4. Development of environmentally friendly and sustainable eco-tourism, cultural and historical tourism industry;
	5. Education, physical sports, human resource development and skills labor development, vocational training institution or center, production of educational and sports equipment;
	6. Development of modern hospitals, pharmaceutical and medical equipment factories, and traditional medicine production and treatment;
	7. Investment in service provisions for and development of public infrastructure to solve urban traffic congestion and over populated residential area issues, development of infrastructure supporting agriculture and industry, cargo transportation, transit and international linkage services;
	8. Banks and micro-finance institutions focusing on poverty reduction for people and community with limited access to finance;
	9. Modern shopping centers that promote domestic products and world renowned brands, exhibition centers and fairs for domestic industrial, handicrafts and agricultural products.

2.1.2 Incentives by Zone

Incentives by Zones refer to investment incentives that are granted to different designated zones in accordance with Law on Investment Promotion⁶. There are three different zones that receive investment incentives. (Annex 2: List of Districts in Promoted Zones)

Figure 6: Definition of Each Promoted Zones



⁶ Article 10, with a detailed list of districts in different Zones in Annex II of the Law on Investment Promotion (2016) which may be updated from time to time.

2.1.3 Incentives on Tax and Land Lease or Land Concession

1) Investment Incentives on Profit Tax and Land Lease or Land Concession

- **Profit Tax Incentives**

Investors investing in sectors and zones defined in Articles 9 and 10 of the Law on Investment Promotion shall receive the following profit tax exemptions:

Table 1: Profit Tax Incentives by Zones and Business Sector

Zone	Profit Tax Exemption Period	Additional Profit Tax Exemption Period
Zone 1	10 years	5 years (Clean, organic agriculture; agro-processing industry; education and health)
Zone 2	4 years	3 years (Clean, organic agriculture; agro-processing industry; education and health)
Zone 3	Follow the instructions in the specific regulations	

- **Exemption of State Land Rental or Concession Fee**

Investors investing in sectors as specified in Article 9 of the Law on Investment Promotion will receive exemption for rental or concession fees for state land as summarized in the following table.

Table 2: Exemption of State Land Rental and Concession Fee by Zones and Business Sector

Zone	Exemption Period	Additional Exemption Period
Zone 1	10 years	5 years (Clean, organic agriculture; agro-processing industry; education and health)
Zone 2	5 years	3 years (Clean, organic agriculture; agro-processing industry; education and health)
Zone 3	Follow the instructions in the specific regulations regarding Special Economic Zone (SEZ)	

Conditions for Applying Investment Incentives

Enterprises investing in Lao PDR that wish to apply for the investment incentives on profit tax and land lease or concession fees must meet the following conditions:

- Investing in the promoted investment activities as specified in Article 9 of the Law on Investment Promotion and comply with the specific conditions set out in relevant regulations (Annex 1);
- Must have a value of at least 1,2 billion Kip or employ at least 30 Lao National technicians or at least 50 Lao workers with a minimum labor contract of 1 year;
- The registered capital must be fully disbursed through the certification of the Bank of the Lao PDR as stipulated in Articles 53 and 54 of the Law on Investment Promotion;
- Operate the business in compliance with tax, duty and other obligations in accordance with relevant laws and regulations;
- Fulfill all environmental obligations in accordance with laws and regulations.

Investment Incentive Application

Enterprises, with Investment License or Enterprise Registration Certificate issued by the central government, can submit the application for investment incentive to the Central Investment One-Stop Service Office (COSSO) at the Investment Promotion Department, Ministry of Planning and Investment for consideration and issuance of the Investment Incentive Certificate (IIC).

Enterprises, with Investment License or Enterprise Registration Certificate issued by the provincial government, can submit the application for investment incentive to the Provincial Investment One-Stop Service Office (POSSO) at Department of Planning and Investment of the province, as the one-stop investment service office at the provincial level consideration and issuance of the Investment Incentive Certificate (IIC).

For investment projects in large-scale concessions that have a concession agreement with the government and have a resolution approved by the National Assembly for investment incentives beyond the limits of the law, Investment Incentive Certificate (IIC) is not required.

To apply for investment incentives, the applicants should submit the following documents:

- Application Form
- A copy of the Investment License (if any), the Enterprise Registration Certificate, the operating license, the tax payment certificate and the land lease or concession agreement with the government (if any);

- A copy of the capital import certificate in cash and /or in kind;
- Copy of EIA Certificate;
- A copy of the FS or business plan approved by the relevant departments;
- Other relevant documents.

Investment Incentive Consideration Process

After receiving the application for investment incentives with all required supporting documents, COSO or POSO must send out the application to the relevant central and local authorities for their comments and inspect the investment sites within 10 working days from the date of receiving the application.

After receiving comments from other sectors, the COSO or POSO will report to the CCIPM/ PCIPM for approval in principle within 15 working days.

After that, the COSO or POSO will issue the Incentive Certificate (IIC) within 5 working days. In case of rejection, the COSO or POSO must notify the company in writing within 2 working days from the date of the final decision.

After the Investment Incentive Certificate (IIC) is issued, copies of the certificates must be sent to the Finance Sector and any related sector for implementing and monitoring the incentives accordingly.

2) Investment Incentives on Value-Added Tax and Duty Incentives

Apart from investment incentive on profit tax, investors can apply for investment incentives on value-added tax as follows:

1. Import of materials and equipment which cannot be supplied or produced in Lao PDR to form the company's fixed assets and import of machinery and vehicles directly used for production will receive duty exemption and value-added tax; while the import of fuel, gas, lubricant, vehicles for administrative purposes, and other materials shall comply with relevant laws.
Temporary import of machinery and vehicles directly used for production shall comply with the applicable Tax Laws.
2. Import of raw materials, mines, equipment and parts to be used in the production for export shall be exempted from duty payment and value-added tax. In the case that goods are not exported, duty and tax will be collected in accordance with the relevant laws.
3. Use of raw materials, equipment, and parts of domestic origin to be used in the production as a finished or semi-finished product for export is exempt from value-added tax.
 - For the export of raw materials and mineral products, comply with the relevant laws.
 - The government determines the list of semi-finished products for export.

Conditions for Applying Investment Incentives

Enterprises investing in Lao PDR that wish to apply for the investment incentives on value-added tax and duty incentives must meet the following conditions:

- Investing in the promoted investment activities as specified in Article 9 of the Law on Investment Promotion and comply with the specific conditions set out in relevant regulations (Annex 1);
- Must have a value of at least 1,2 billion Kip or employ at least 30 Lao National technicians or at least 50 Lao workers with a minimum labor contract of 1 year;
- Operate the business in compliance with tax, duty and other obligations in accordance with relevant laws and regulations;

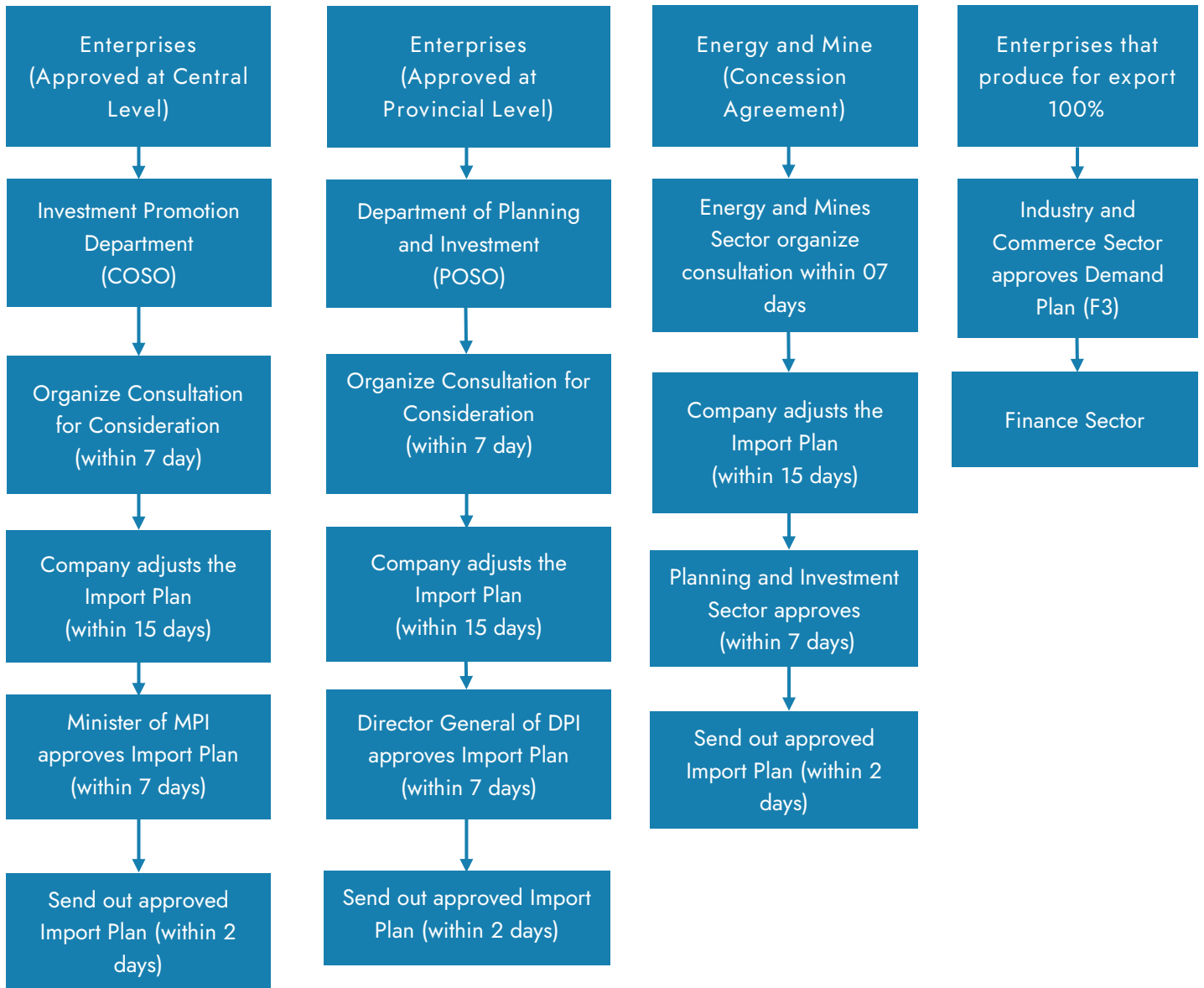
Investment Incentive Application

To apply for investment incentives on custom and value-added tax, investors should submit the following documents:

- Application Form for custom and value-added tax for a company's import plans;
- Authorization letter for the application submitter certified and approved by a company's director;
- A brief report on business operations including actual imports of the past year, labor, etc.;
- Draft annual import plan (Master List) (according to the template/table set by the planning and investment sector) both in hard copy and soft file;
- Copy of Investment License (if any), Enterprise Registration Certificate, Business Operation Permit from the related sector, annual tax payment certificate for the previous year, contract signed with the government (in the case of concession investment) and construction permit (in the case of a company/factory requesting to build a new factory);
- A copy of the import plan in the previous year;
- A copy of the annual business plan that approved by the industry and commerce sector (in the case of enterprises or factories engaged in production).

Investment Incentive Consideration Process

Figure 7 Import Plan (Master List) Approval Process



Part 03

Investment Activities

3.1 Forms of Investment

Investment in Lao PDR consists of the five following forms:

1) A wholly domestic and foreign-owned investment

A wholly domestic or foreign-owned investment is an investment entirely owned by either domestic or foreign investor(s), and can be either a single investor or a group of investors in the enterprise or project in the Lao PDR.

2) A joint venture between domestic and foreign investors

A joint venture between domestic and foreign investors is a joint investment between domestic and foreign investors who conduct business operations, share ownership, and establish a new legal entity under the laws of Lao PDR.

The organization and activities, management, rights, and obligations of investors of the joint venture are defined in their joint venture agreement and in the article of association of the newly established legal entity.

Foreign investor(s) in the joint venture shall contribute at least ten percent (10%) of the total capital of the joint venture.

3) A business cooperation by contract

Business Cooperation by Contract is a joint business arrangement between domestic and foreign legal entities including public and private parties through a business cooperation contract according to the laws and regulations of Lao PDR for a certain period without a requirement to establish a new legal entity or a branch office in the Lao PDR. Such a contract shall clearly determine the rights, benefits, and obligations of each party to one another and to the Government.

Domestic entities entering a business cooperation contract shall inform the Investment One Stop Service Office for approval and supervision according to relevant regulations and be subject to notarization by the relevant notary public of Lao PDR where the contract is performed.

4) A joint venture between a state-owned enterprise and a private enterprise

A joint venture between a state-owned enterprise and a private enterprise is a partnership between a state-owned enterprise and a private enterprise in order to operate a

business, have co-ownership and establish a new entity under Lao PDR laws.

The establishment, operation, management, rights, and obligations of investors in such a partnership shall be specified in the relevant joint venture agreement and articles of association of such new entity.

5) **A public-private partnership (PPP)**

Public-private partnership investment is a joint-venture investment between public authority and a private party under a joint-venture contract to implement a project of new construction, improvement of infrastructure or to provide a service to the public.⁷

3.2 Types of Investment

3.2.1 General Investments

1) **Business activities under the controlled business list**

Business activities under the controlled business list are businesses that concern national security, public order, national tradition, and socio-environmental impact. To ensure socio-economic development balance, screening by relevant sector authorities is required for this investment category before an Investment License can be granted by the Investment One Stop Service Office and/or the committee for investment promotion and supervision according to decentralized supervision.



Business Activities under the controlled
Business list

2) **Business activities outside controlled business list**

Business activities not included in the controlled business list are businesses open for general investment which may be filed for enterprise registration and applied for a business operating license according to the Enterprise Law and relevant regulations.



Business activities outside controlled
Business list

⁷ Decree on Public-Private Partnership No. 624 / PM, dated 21 December 2021, stipulates the detail conditions and procedures for public-private partnership.

Investment in general investments has no term limit except for those activities of which term limits have been specified by regulations of relevant sector authority.

3.2.2 Concession Investments

A concession investment is an investment for which an investor is authorized by the Government in accordance with relevant laws and regulations to develop and operate a business. A detailed list of concession investment activities issued periodically by the Government. The major concession activities include:

- Land concession for investment in agricultural, factory industry, tourist attraction and other services which are related to land;
- Mining, electric energy development;
- Development of Special Economic Zone (SEZ), zones for industrial processing for export;
- Aviation and telecommunication;
- Public Private Partnership (PPP).

The terms of the concession investment depend on the type, size, investment value, conditions, and feasibility study of the business in compliance with relevant laws; but shall not exceed 50 years. The concession investment term may be extended with approval of the Government or the National Assembly or a provincial level assembly as set out by relevant laws.

Investors who wish to invest in concession activities must have following criteria:

- Be a domestic or foreign legal entity (ies);
- Have experience and success in business as certified by relevant authorities;
- Be financially sound or have funding sources as certified by domestic or foreign financial institutions;
- Meet other conditions as set out in relevant laws.

Part 04

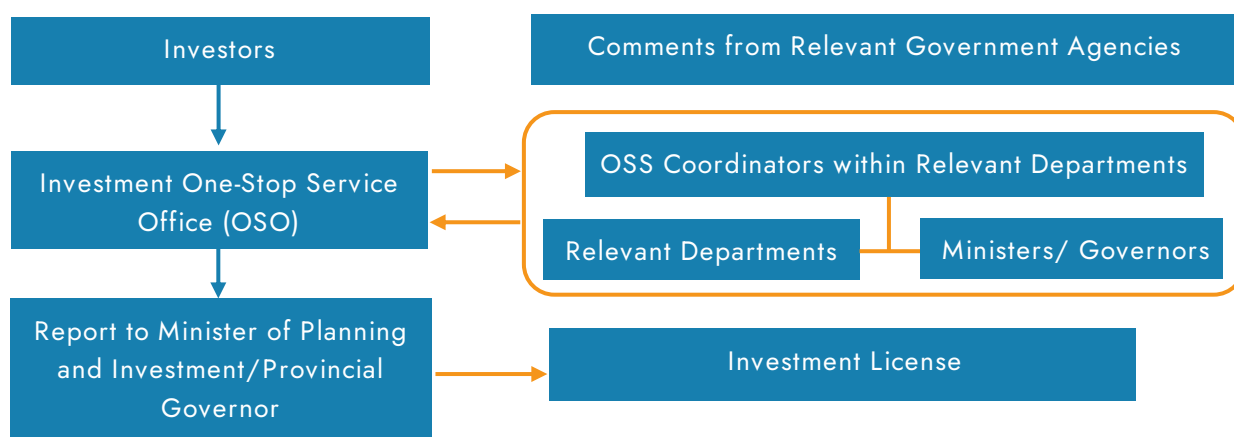
General Investment Procedure

4.1 Business Activities Under the Controlled Business List

In the current transition period after the termination of the CIPM⁸, the following temporary mechanism is in place to handle the application for Controlled Business Activities:

1. Domestic and foreign individuals, who wish to invest in business activities under the controlled business list shall submit an application to the OSO at the central or provincial level.
2. After submission of the investment application, the OSO shall send the application (within 2 working days) to concerned sector authorities and local authorities who shall consider and respond in writing within 8 working days;
3. Upon receiving a consensus agreement from all concerned authorities, the OSO shall report to the Minister of MPI or Provincial Governors for consideration and issuance of Investment License;
4. For the applications that do not receive a consensus agreement from all concerned authorities, the Planning and Investment Sector will organize a consultation meeting with all concerned authorities then report the result to the Prime Minister or Governors for consideration on a case-by-case basis.
5. The controlled business list after obtaining an investment operating license from the planning and investment sector, it is necessary to apply for a business operating license with the relevant sector.

Figure 8: Procedures for Business Activities under the Controlled Business List



⁸ The Prime Minister's Office Notification No. 91/PMO, dated 22nd August 2022

□ Applications and Supporting Documents

- Completed investment application form for controlled list;
- Summary proposal about the development of the proposed project certified by president or managing director of the company;
- Background and experience of the investor, license, or Business Registration of the company;
- Shareholder's agreement in case there are many companies;
- Power of Attorney in case that person is not in the highest position of the company;
- Map of the project location/project Site;
- Technical data of the project
- Preliminary data of the project, if any;
- Financial supported documents of financial institutions or banks, if any;
- Other related documents

4.2 Business Activities Outside the Controlled Business List

Enterprise Registration

Investors wishing to invest in general business outside the controlled business list shall submit an application to Industry and Commerce Sector authority for enterprise registration. Enterprise⁹ registration is the process of legalizing an enterprise establishment for domestic and foreign persons and legal entities to operate businesses in the Lao PDR. Enterprise registration is a one-time process throughout the business operations which includes the following steps:

- (1) Prepare and submit the application to the Industry and Commerce Sector based on the scope of responsibility in enterprise registration as defined in table 3
- (2) After receiving the application, the enterprise registrar shall check the application within 1 hour and notify the applicant immediately of the following:

In case the application is correctly completed: the registrar shall provide the application receipt. The receipt shall include the date of receipt and the date to pick up the Enterprise Registration Certificate, not later than ten working days from the date of issuing the receipt;

⁹ Enterprises in Lao PDR are divided into 4 categories (Private Enterprise, State Enterprise, Mixed Enterprise, Cooperative Enterprise), 3 forms (Individual Enterprise, Partnership, Company); and 4 types (Ordinary Partnership, Limited Partnership, Sole Limited Company, Limited Company)

In case the application is not correctly completed, the registrar shall immediately notify and advise the applicant to correct and improve the indicated elements. The instructor shall sign the application and submit as the defined process above.

The Industry and Commerce Sector will proceed with the issuance of Enterprise Registration Certificates as follows: For businesses that need to apply for a Business Operating License with the relevant sector, The registrar of the enterprise will not specify the type of business on the back of the Enterprise Registration Certificate and will issue additional instructions to proceed to the next step. For businesses that do not require a Business Operating License, the type of business will be indicated on the back of the enterprise registration so that it can be implemented in the next step.

Scope of Responsibility in Enterprise Registration

Table 3: Scope of Responsibility in Enterprise Registration

Ministry of Industry and Commerce (MOIC)	Processes applications for enterprise registration for the establishment of foreign legal entities, state-owned enterprises, partnerships, companies and individual enterprises with the registered capital of 500 million kip and higher, that have business addresses in Vientiane Capital and other provinces;
Department of Industry and Commerce (Province)	Processes applications for enterprise registration regarding state-owned enterprises, partnerships, companies except public companies and individual enterprises with registered capital of 500 million kip and higher, that have a business address in the respective province and Vientiane Capital;
Office of Industry and Commerce (District)	Processes applications for enterprise registration regarding the establishment of cooperative enterprises, individual enterprises with registered capital of 500 million kip and lower. In case any district is not ready for enterprise registration according to the defined rules, the Department of Industry and Commerce shall be responsible for such an application from those districts and propose to the Ministry of Industry and Commerce for consideration.

Application for Enterprise Registration

Documents required for enterprise registration application defined by the DERM as follows:

Applications for registration of an individual enterprise include:

- 1) Application form for individual enterprise establishment;
- 2) List of business activities requested to operate;

Applications for registration of partnership and company include:

- 1) Application form for enterprise establishment;
- 2) List of business activities requested to operate;
- 3) An agreement of enterprise establishment, except sole limited companies

Businesses for Lao citizens that are not required to register as an enterprise¹⁰

- Production for agriculture and handicraft for family business by using family members' labor without hiring non-family members as employees.
- Vendors comprised of: small-scale minimart business operators, peddlers, stall merchants with regular income below 100,000 Kip/day.
- Small-scale service business operators with regular income below 100,000 Kip/day.
- Seasonal traders or business operators.

¹⁰ Based on the Notice of Non-Registered Business No.2037/IC.ERM 28/10/2014.

Part 05

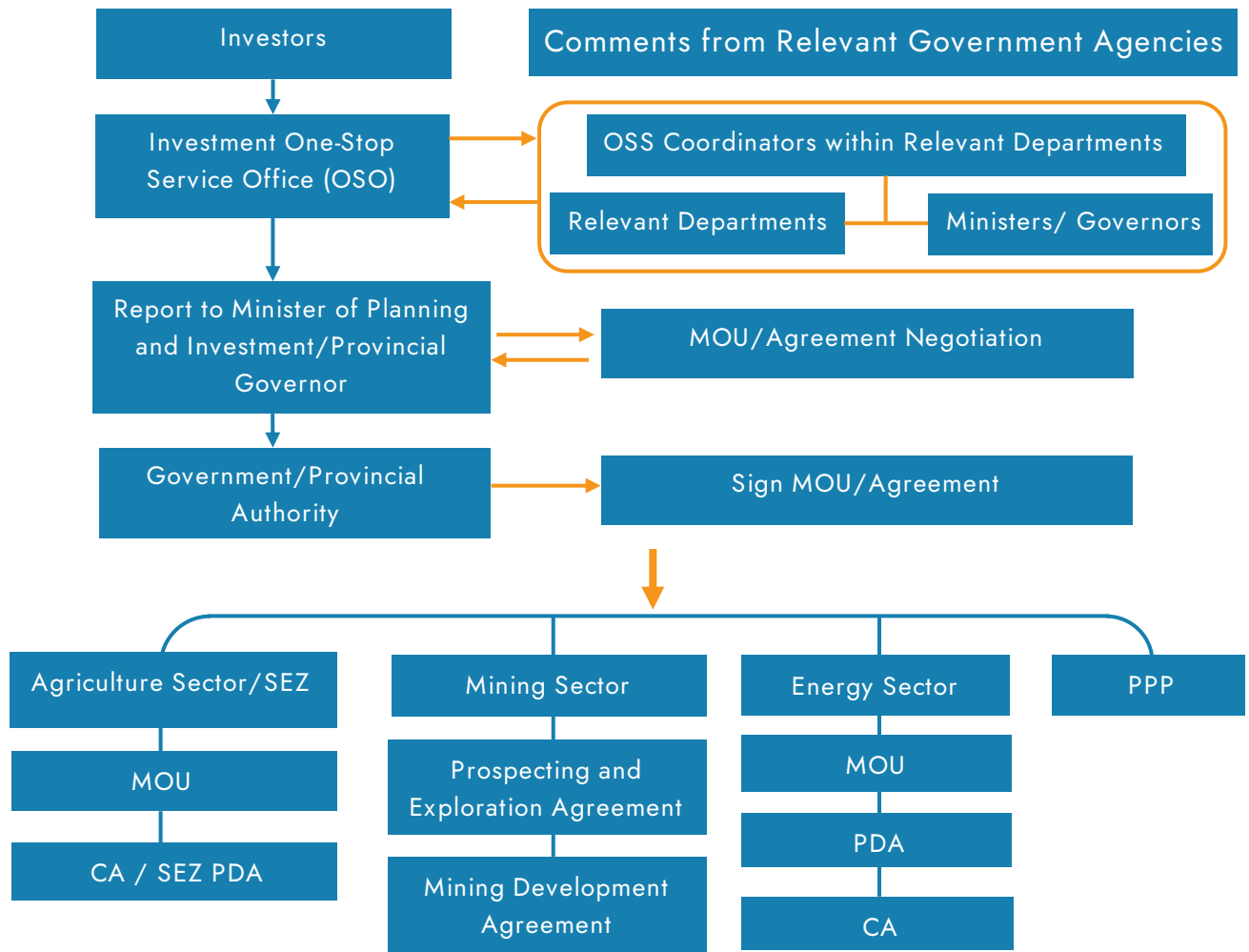
Concession Investment Procedures

In the current transition period after the termination of the CIPM¹¹, the following temporary mechanism is in place to handle the application for Concession Activities:

1. Domestic and foreign individuals, who wish to invest in concession investments shall submit an application to the OSO at the central or provincial level.
2. After submission of the investment application, the OSO shall send the application (within 2 working days) to concerned sector authorities and local authorities who shall consider and respond in writing within 30 working days;
3. Upon receiving a consensus agreement from all concerned authorities, the OSO shall report to the Minister of Ministry of Planning and Investment or Provincial Governors for consideration before conducting MOU or Concession Agreement negotiations with the investor(s). Then OSO will report the result of the negotiation to the Prime Minister or Governors to authorize the MOU or Concession Agreement signing;
4. For applications that do not receive a consensus agreement from all concerned authorities, Planning and Investment Sector will organize consultation meeting with all concerned authorities then report the result to the Minister of Ministry of Planning and Investment or Provincial Governors for consideration case by case.
5. Concession Investment shall register the capital not be less than 30% of total capital and must import the capital as following:
 - 3% of registered capital for projects with investment value of less than 10 million dollars US;
 - 2% of registered capital for projects with investment value from 10 million to 500 million US dollars;
 - 1,5% of registered capital for projects with investment value from 500 million to 1 billion US dollars;
 - 1% of registered capital for projects with investment value of more than 1 billion USD.

¹¹ The Prime Minister's Office Notification No. 91/PMO, dated 22nd August 2022

Figure 9: Procedures for Concession Investment Activities

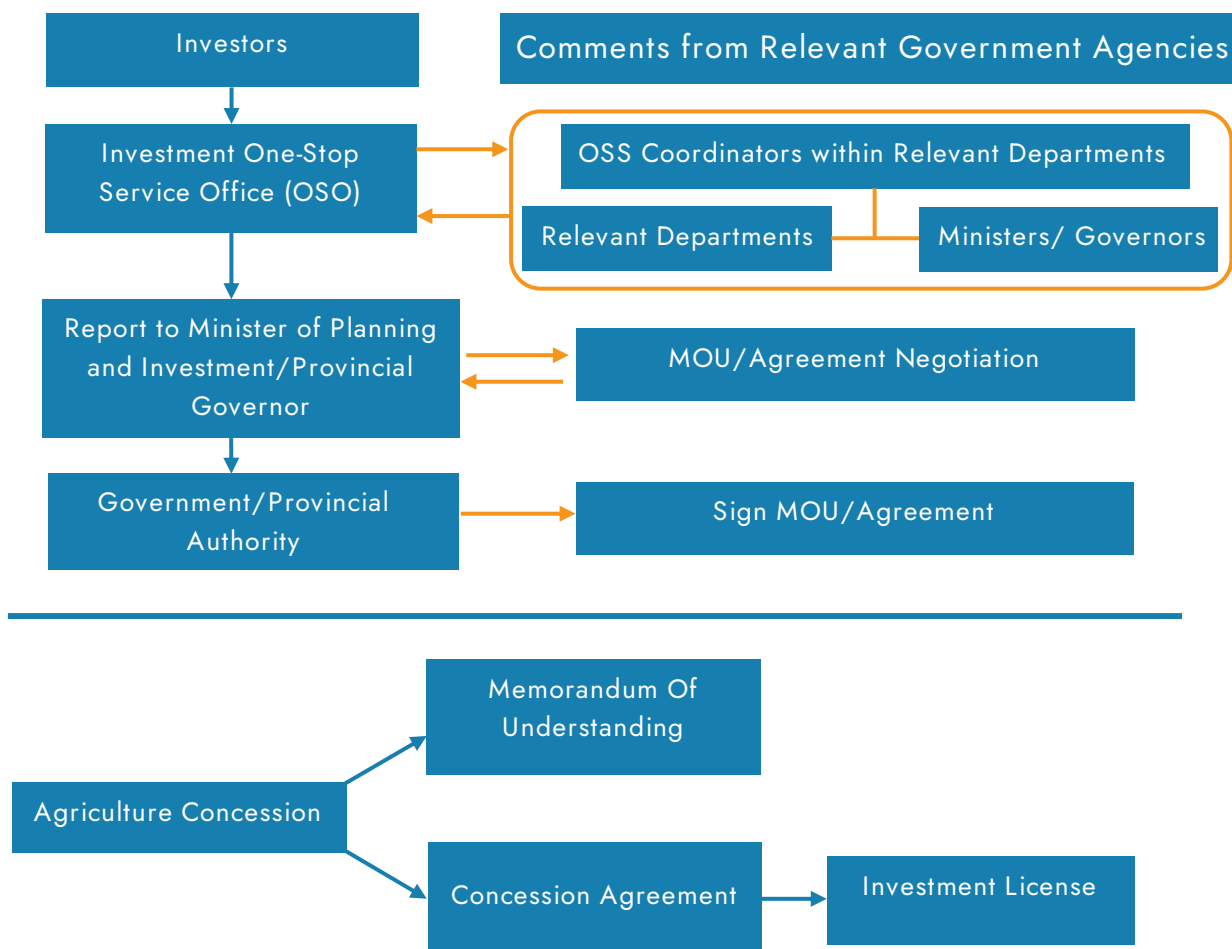


5.1 Concession Investments in the Agriculture Sector

Land Concession for growing of non-perennial crops and food crops, plantation of fruit trees, industrial plants, economic plants, forest plants, timber forest products shall comply with conditions based on laws and regulations of relevant sector authorities.

For the details of state-owned land, the government currently does not have detailed information on land allocation across the country. So, the investor who has the intention to invest in the agriculture sector in line with state-owned land concessions must request approval for primary data collection from the agriculture sector and forest, investment promotion sector, and other relevant sector authorities at central or local levels where the project is located.

Figure 10: Procedures for Agriculture Concession



5.1.1 Memorandum of Understanding (MOU) for studying the project possibilities

The investors (or legal entity) wishing to invest in agriculture activities, after having primary data on land area and project location, can submit the investment application to COSO or POSO to request for the MOU with the government to conduct a detailed land survey, a Feasibility Study (FS) and an Environmental Impact Assessment (EIA).

Based on Decree No. 135/PM, dated 25/05/2009 on the lease or concession of state 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 agriculture and tree plantation activities as follows:

□ **Local Levels:**

- Degraded forestland of not more than 150 hectares per 1 project;
- Barren forestland of not more than 500 hectares per 1 project.

□ **Central Levels:**

- Degraded forestland of between 150 – 15.000 hectares per 1 project;
- Barren forestland of not more than 500- 30.000 hectares per 1 project

In accordance with Law on Investment Promotion (Article 42), the term of investment concession depends on the type, size, investment value, conditions, and feasibility study of the business in compliance with relevant laws; but shall not exceed 50 years. The concession investment term may be extended with an approval by the Government or the National Assembly or a Provincial Assembly as set out in relevant laws.

□ **Scope of works during the MOU Stage includes:**

1. Conduct a study on socio-economic development and natural suitability, for instance: soil, climate, altitude, rainfall, water source, land use rights, local labour, exploration of forest conditions and forest resources, etc.;
2. Conduct FS, and submit for approval from MAF¹². At local the level, FS is reviewed and approved by DAF or the Office of Agriculture and Forestry (District);
3. Conduct the Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE) including measures to prevent and mitigate the impacts, then submit for approval from the National Resource and Environment Sector;
4. Conduct an Environment Management and Monitoring Plan (EMMP) in the operational plan focusing on the protection of water sources and the environment, land clearing, village development, promote community involvement in agriculture production, use modern technology and promote benefit sharing.

5.1.2 Concession Agreement “CA”

After achieving the implementation of an MOU by completing all tasks including land survey, obtaining approval of FS, EIA or IEE, investors can submit the request to the Planning and Investment Sector for Concession Agreement (CA).

After signing a CA with the Government, the investors must establish the Project Company to operate the activities or implement the CA. The Investment License will be issued to the investors by the Planning and Investment Sector. After that, the investors can commence project operation in line with the approved FS and related laws and regulations.

¹² Department of Planning and Finance acts as the coordinator of concerned departments within the Ministry including Department of Forestry, Department of Agriculture, and other departments for review and approval of the FS.

5.1.3 Guarantee Fund Deposit

The project guarantee fund deposit is money deposited with the government to ensure the implementation of the MOU and CA¹³. Thus, after signing the MOU and CA, the investors shall deposit a project guarantee fund with the Planning and Investment Sector at the central or provincial levels within 30 days from the date of MOU or CA signing. The investor must deposit a project guarantee fund by remittance to the bank account of IPD or MIP at the National Treasury Account. Once the Guarantee Fund is remitted, the investor must show evidence for remittance to such Guarantee Fund to the Planning and Investment Sector to issue a guarantee certificate.

Table 4: The amount of the project guarantee fund for MOU and CA

Concession Area	Amount of Guarantee Fund (USD)
1 – 150 hectares	30.000
151 – 1.000 hectares	50.000
1.000 hectares and above	70.000

5.2 Concession Investments in the Mining Sector

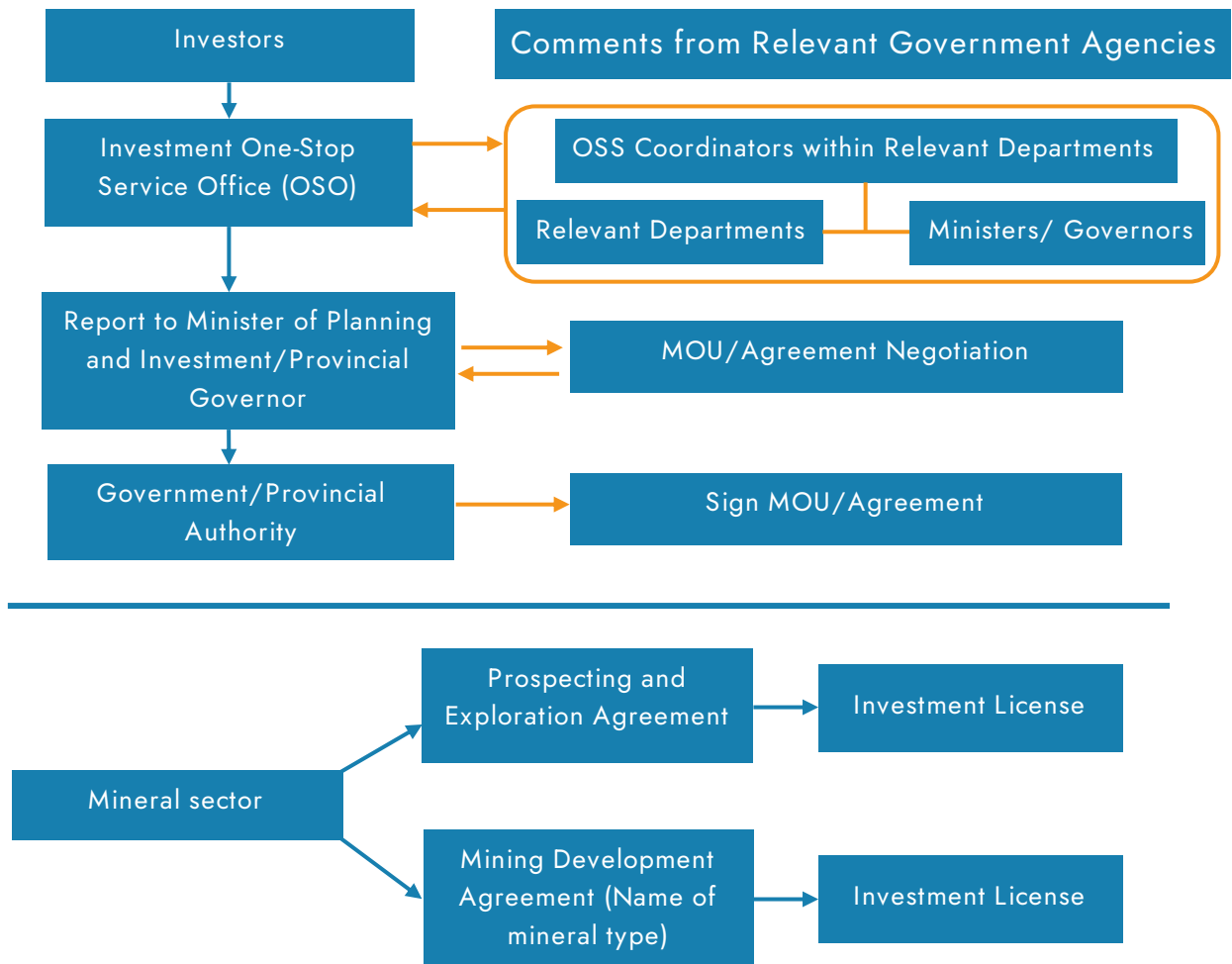
Investments in the mineral business should be carried out in the form of a company, consisting of 2 types:

- Mining Business: is an activity related to prospecting, exploration and feasibility studies of the economic and technical aspects, exploitation, including the bidding for mining concessions;
- Specific Mining Business: is a business operation that does not have to follow all the steps of prospecting and exploration, a specific mining business including:
 - 1) Traditional metallic mineral panning;
 - 2) Mining of Non-metallic minerals for construction;
 - 3) Mining of Non-metallic minerals for Industry

In addition, there are business services related to mining, such as prospecting, exploration, mapping, geophysical exploration, drilling, exploitation, transportation, mineral trade, research and mining consulting and other mining and related services.

¹³ In accordance with the Decision on Deposit of the Guaranty Fund for Concession Activity, No. 2735/MPI, dated 02 November 2018

Figure 11: Procedures for Mining Concession



5.2.1 Mining: Prospecting and Exploration Stage

The investors (or legal entity) who intend to invest in mining activities such as mining prospecting, and exploration, shall request for primary data collection from Natural Resource and Environment Sector (NRES) at central or provincial level where the project is located. The primary data collection will be conducted in the office and at the site to study the mineral resource locations, environment and collect the surface sample for analysis to consolidate a report on primary data collection. After the primary data collection, the investor who wish to proceed to mineral prospecting, exploration must submit the request to the COSO or POSO for consideration in accordance with the procedures stipulated in Law on Investment Promotion (2016) and regulations of relevant sector authority with the decentralization as follows:

Table 5: Mining Concession Approval Level

Central Government Approval	Provincial Government Approval
Mining prospecting and exploration activities	
Mining of Non-metallic minerals for construction (Mining capacity of 100.000 cubic meters per year or more)	Mining of Non-metallic minerals for construction (Mining capacity of 100.000 cubic meters per year or less)
Mining of Non-metallic minerals for industrial use (Mining capacity of 100.000 cubic meters per year or more, permit for domestic or foreign legal entities to supply domestic and exportation)	Mining of Non-metallic minerals for industrial use (Mining capacity of 100.000 cubic meters per year or less, permit for domestic legal entities to supply domestic and not permit for exportation) ¹⁴
The business services related to the mining business such as prospecting, exploration, mapping, geophysical exploration, drilling, exploitation, transportation, mineral trade, research and mining consulting and other mining and related services.	

□ Scope of Works in Prospecting and the Exploration Stage

After the investors have signed the Prospecting and Exploration Agreement and received the Investment License, the investors must request the business operating permit for prospecting and exploration from MEM, and develop the operational plan, starting from general prospecting in the scope of the agreement, followed by the exploration in extracting areas. The prospecting and exploration plans of each period must be approved by MEM before excursion, the operational plan is divided into 3 steps¹⁵:

1) Prospecting Period:

- Data collection;

¹⁴ Article 90 of Law on Minerals (Amended) No. 31/NA, dated 3/11/2017.

¹⁵ Duration of operation of all periods depend on the outcome of the prospecting-exploration agreement negotiations.

- Field visit to study geological condition and mineral existence;
- Assess mineral characteristic.
- Identify potential areas for exploration (prospecting area that requires a legal entity to conduct a maximum of 200 km² and must comply with the policy of MEM regarding the concession area)¹⁶ ;
- Valid for 2 years and can renew 1 time for no longer than 1 year.

2) Exploration Period:

- Study of geological structure and mineral sources in the selected area for exploration;
- It comprises of the work of the geology, geophysics, drilling, drilling tunnels, dig a canal, dig, sampling, analysis, research, etc.;
- To identify the cumulative quantity and quality of the mineral;
- Assess the primary economic-technical possibility and technical conditions of the exploitation;
- Create the management plan for monitor the environment and nature in the exploration period;
- With 3 years validity and renewable 1 time for no longer than 1 year.¹⁷

3) Feasibility Study Period:

- Conduct the Feasibility Study (FS);
- The FS includes the calculation of mineral cumulative quantity that is close to the standard of implemented mineral cumulative quantity classification;
- Furthermore, this stage includes an initial assessment of planning for exploitation, processing, production, and distribution;
- Conduct EIA, as well as the assessment of economic effectiveness;
- Valid for 2 years and can renew 1 time for no longer than 1 year.

5.2.2 Mining Development Stage

After achieving the prospecting and exploration agreement with the FS approved by MEM, and EIA approved by NRES, the investors can propose to proceed to the exploitation and processing stage in accordance with laws and relevant regulations. Before commencing the Mining Development Stage, the investors need to apply for a business operating license for mining development with MEM.

¹⁶ Article 49 of the Law on Minerals (2017)

¹⁷ Article 50 (3), Law on Mineral (2017)

Deposit Guarantee Fund for Mining Development

The deposit guarantee fund for mining activities and mining development agreement as following:

Table 6: Deposit Guarantee Fund for Mining Development

Concession Area (Km ²)	Amount of Guarantee Fund (USD)
1 Km ² and below	20.000
1-100 Km ²	50.000
100 Km ²	100.000

The deposit a guarantee fund for mining of non-metallic minerals as following:

The volume (M ³ / year)	Amount of Guarantee Fund (USD)
Less than 100.000 m ³	10.000
100.000 m ³ and above	30.000

5.3 Concession Investments in the Energy Sector

The investment in electricity consists of 3 types¹⁸ as following:

5.3.1 General Energy Service Business

This type of investment includes planning, data collection survey, design, construction, installation, operation, service and equipment maintenance and the structure of the energy project. Individuals, legal entities, or organizations with the intention of conducting this type of business are required to submit an application and supporting documents to COSO or POSO in accordance with the Law on Investment Promotion (2016) and related laws and request the business operating license with the Energy and Mines Sector.

5.3.2 Electricity Transmission Grid Concession business

An electricity transmission grid concession business is a business in which the government provides concessions in the form of Build-Operate-Transfer (BOT) to Lao legal entities to study, design, build, operate and transfer to the government at the end of the concession period as stipulated in the concession agreement. For the 500 KV transmission line and above must be approved by the National Assembly. Both domestic and foreign private joint ventures can invest in this activity through the bidding or non-bidding process.

¹⁸ Bases on Law on Electricity (2017)

5.3.3 Specific Energy Generation Business

A specific energy generation business is a business that received a concession from the government which operates in the business of generating electricity or both generates and transmits electricity simultaneously. There are 3 forms of investment in the specific electricity generation business¹⁹:

- (1) Build, Operate and Transfer (BOT): build, own, operate and transfer to the government at the end of the concession period. The concession agreement is for a hydropower project with an installed capacity of 5 MW or more;
- (2) Build, Own and Operate (BOO): build, own and operate, including: small-scale hydropower projects, thermal, solar, wind and other power projects as required by the Government;
- (3) Other forms as approved by the government.

There are 2 recruitment methods of project developers in the specific electricity generation business:

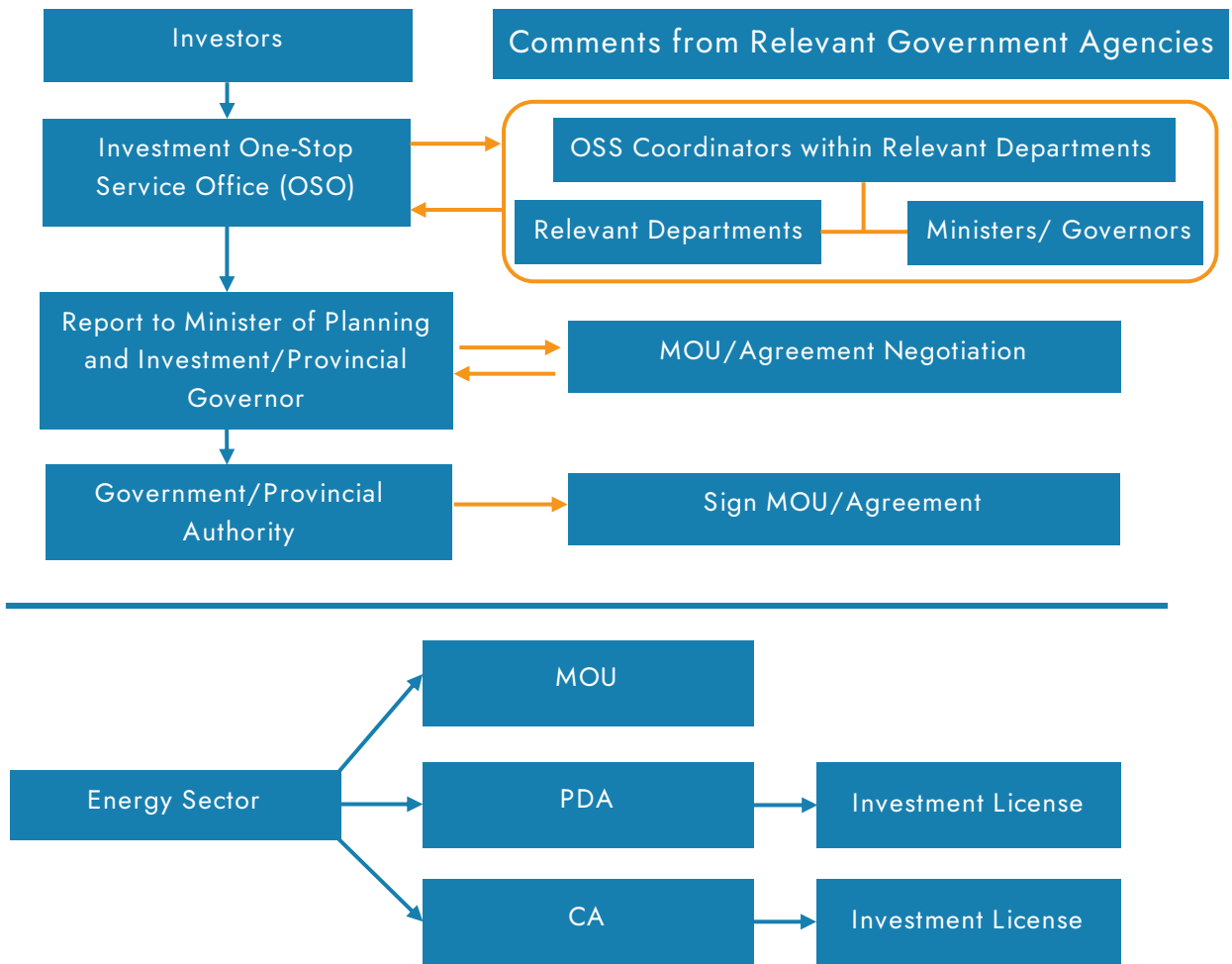
- 1) Bidding: For a project that the government has preliminary information from the studies, data information should be collected sufficient to allow the government to conduct bidding to select the most qualified investor to develop the project;
- 2) Non-bidding: Most of the current investment projects are initiated through a non-bidding process, which are investments that meet technical and financial requirement, as well as apply new modern technology or potential investment strategically promoted by the government.

□ Specific Energy Generation Business through Non-bidding Process

There are specific criteria for consideration and approval of non-bidding projects which are set out in a separate regulation. There are 3 main stages of developing non-bidding projects including: Memorandum of Understanding (MOU), Procedure of Project Development (PDA) and Procedure of Project Concession (CA).

¹⁹ Articles 44, 45 and 46 of the Law on Electricity

Figure 12: Procedure for Energy Concession



1) Memorandum of Understanding (MOU)

The investors who would like to apply for Specific Energy Business such as hydro-power, wind power, solar energy or thermal energy development must submit a request for primary data collection from the Energy and Mine Sector in order to select the targeted project site. Then investors must submit the investment application form to COSO or POSO for the approval and signing of an MOU with Government or the Provincial Authority to conduct the FS in accordance with the following decentralization (Table 5) ²⁰:

²⁰ Based on Article 43 of the Law on Electricity (Amended) No.19/NA dated 9/5/2017,

Table 7: Summarizes the investment approval levels

Provincial Government	Central Government	National Assembly
Projects with an installed capacity of 5 MW or less	Projects with an installed capacity of 5 MW-100 MW	Projects with an installed capacity of 100 MW or more and projects with reservoirs of more than 10,000 hectares and / or projects affecting the evacuation of more than 500 families

The duration of the MOU may not exceed 24 months to conduct, in which the developer must implement as follow:

- Initial Feasibility Study shall comply with the regulations and guidelines of the Ministry of Energy and Mines. The specific projects along the Mekong River Basin, the project must follow all procedures in accordance with the 1995 Framework Agreement and the relevant guidelines of the International Mekong Secretariat (MRCs);
- Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE).

2) Project Development Agreement (PDA)

After the investors have completed their commitments determined in the MOU with approval for the initial FS and EIA/IEE, the investors can request to proceed to the Project Development Agreement with the Government. In this stage, the investors have to coordinate with MEM regarding the detailed requirements of the specific regulations of the MEM. The investor will negotiate PDA directly with MEM before reporting the negotiation results to the Government to assign MPI to sign PDA on behalf of the Government.

3) Concession Agreement (CA)

After achieving all obligations in PDA, the investors can proceed to Concession Agreement (CA). Prior to signing CA, the investors must establish a Project Company²¹ to sign CA with the Government.

²¹ Supporting documents for application to establish a project company include (1) Share agreement between investors including any state enterprise authorized by the government to hold shares in the project/company; (2) the application form for the establishment of the project company with the same supporting documents as attached to the initial investment application for electricity sector with the share agreement and other relevant documents.

After the Project Company had been established, the Investment Promotion Sector will issue the Investment License to the investors to enable them to sign the CA with MPI as the authorized representative of the Government to commence project development.

Deposit Guarantee Fund

The Guarantee Fund deposit for MOU and PDA as follow:

Table 8: Guarantee Fund deposit

Installation capacity (MW)	Guarantee Fund (USD)
5 MW and below	30.000
between 5 MW - 100 MW	50.000
100 MW and above	100.000

Investment Application Form

- Completed investment application form;
- Summary proposal about the development of the proposed project certified by president or managing director;
- Company’s profile background and experience, License or Business Registration of the company;
- Shareholder’s agreement in case there are many companies;
- Power of Attorney in case that person is not in the highest position of the company;
- Map of the project location/project site;
- Technical data of the project;
- Preliminary data collection of the project (if any);
- Financial supported documents of financial institutions or banks, if any;
- Other related documents.

5.4 The Development of Special Economic Zone (SEZ)

Special Economic Zone “SEZ” refers to the designated area that has specific administration mechanisms to create favorable conditions to attract investments using high technology, innovation in agricultural production, and clean production that efficiently uses natural resources and energy for sustainable and environmentally friendly development.

A SEZ may consist of industrial estates, agricultural development zones, industrial processing for exporting, technology and information development, services, trades, and tourism.

5.4.1 SEZ Management Structure

Figure 13: SEZ Management Structure



Special Economic Zone Promotion and Management Office

The Special Economic Zone Promotion and Management Office “SEZO” has equivalent status as a department under the MPI, under the supervision of the Minister, the Deputy Minister as assigned.

SEZO acts as a supporter to the MPI to develop policies, strategies, laws and regulations regarding SEZ.

Special Economic Zone Authority (SEZA)

The Special Economic Zone Authority (SEZA) is an organization under the MPI that has an equivalent status as the provincial departments, and consists of divisions, units, and a number of technicians.

The provinces (and Vientiane Capital) which have been authorized to establish the SEZ will have a management board which will be in charge of regulating and administrating SEZ, and to be the focal point for facilitating development and investment in the SEZ.

Each zone will have a One Stop Service Unit to facilitate the investors within the zone.²²

5.4.2 SEZ Development Conditions

Local authorities shall determine and propose the SEZ in their own area by collaborating with MPI at the central level. The determination of an SEZ shall be subjected to the following conditions:

- Have a clear development objective of the SEZ;
- Have a suitable geographic location, with clear determination of areas and boundaries of the zones;
- Comply with the National Socio-Economic Development Plan;
- Comply with the National Land Strategic Plan and SEZ Strategic Development Plan;
- Determine clearly the development terms;
- Define clearly benefits of the State, people, Zone Developers and Investors;
- Define clearly policies on incentives;
- Undertake an Initial Technical and Economic Assessment;
- Undertake an Environmental Impact Assessment in accordance with the decree on environmental impact assessments;
- Be under the supervision of the government or the provincial administrative authority.

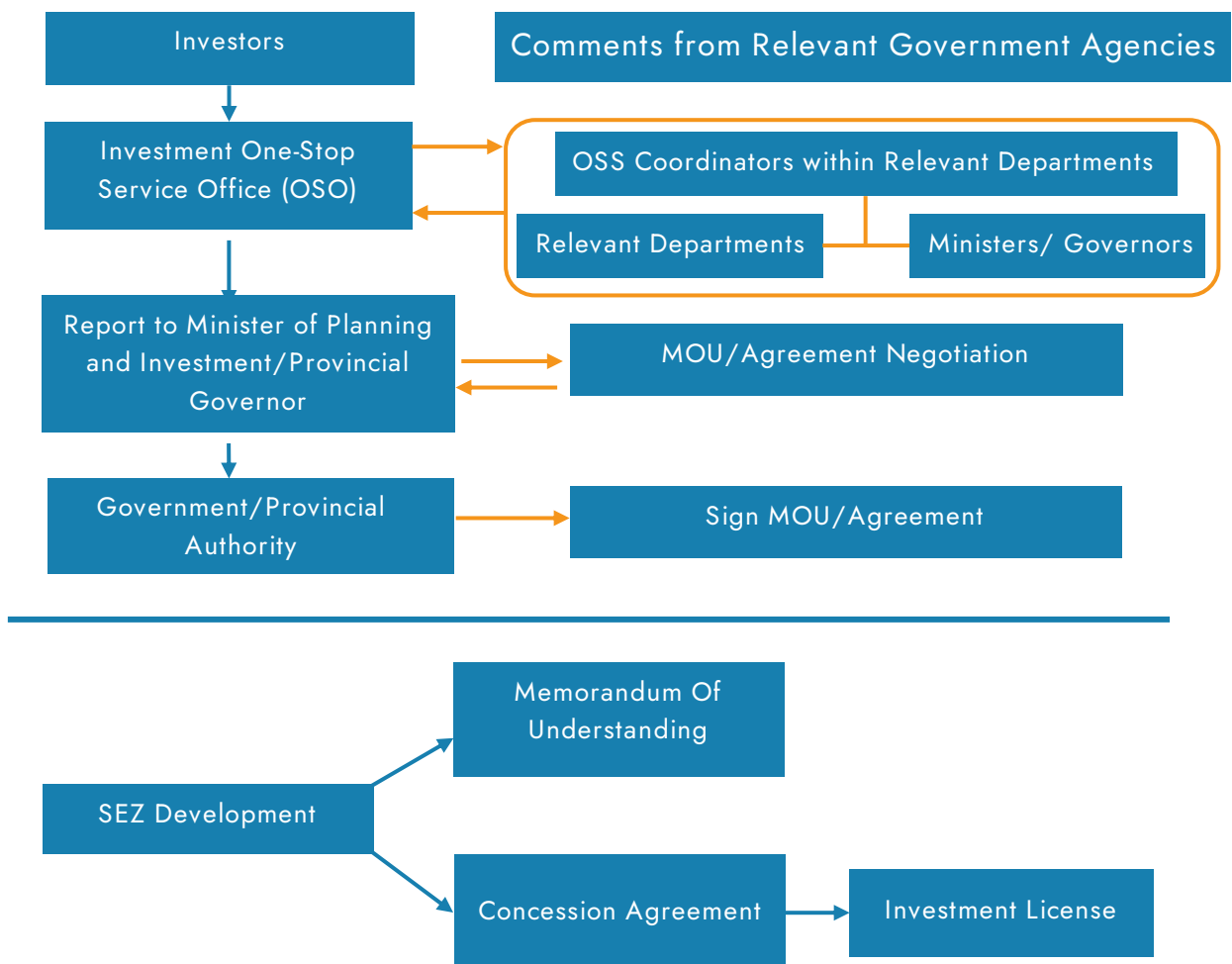
5.4.3 The Application for Development of SEZ

Any person wishing to invest in a development of SEZ (must be legal entity) shall submit an application form together with supporting documents to COSO.

If there are more than two individuals or firms wishing to develop the same SEZ, a selection process shall be done in accordance with the Law on Investment Promotion. The person who wishes to invest in an SEZ shall be considered through two stages which include as follows: MOU and SEZ Development Agreement.

²² In accordance with the Decree on Special Economic Zones No. 188 / GOV, dated 07/06/2018

Figure 14: Procedure for SEZ Development Concession



1. Memorandum of Understanding (MOU)

After receiving the SEZ investment application, SEZO will review the application in coordination with relevant sectors and local authorities, then report to the MPI for consideration.

In the case that the SEZ development application is approved, on behalf on the Government, MPI will sign the MOU with the investor to conduct the land survey, data analysis, and submit all documents within 18 months.

□ Required Documents for MOU

The request for MOU consists of:

1. The application form;
2. Certification of legal entity status;
3. Certification of financial status;
4. Initial project area map;
5. Other supporting documents as specified in the application form.

2. SEZ Development Agreement

Upon completion of data analysis, submission of accurate and complete documentation, and approval by the meeting of the relevant sectors and local technical committees, SEZO will report to MPI for consideration. Upon the approval, MPI will report to the Government for signing SEZ Development Agreement with the zone developer and to officially issue the Investment License.

□ The Application for Project Development Agreement

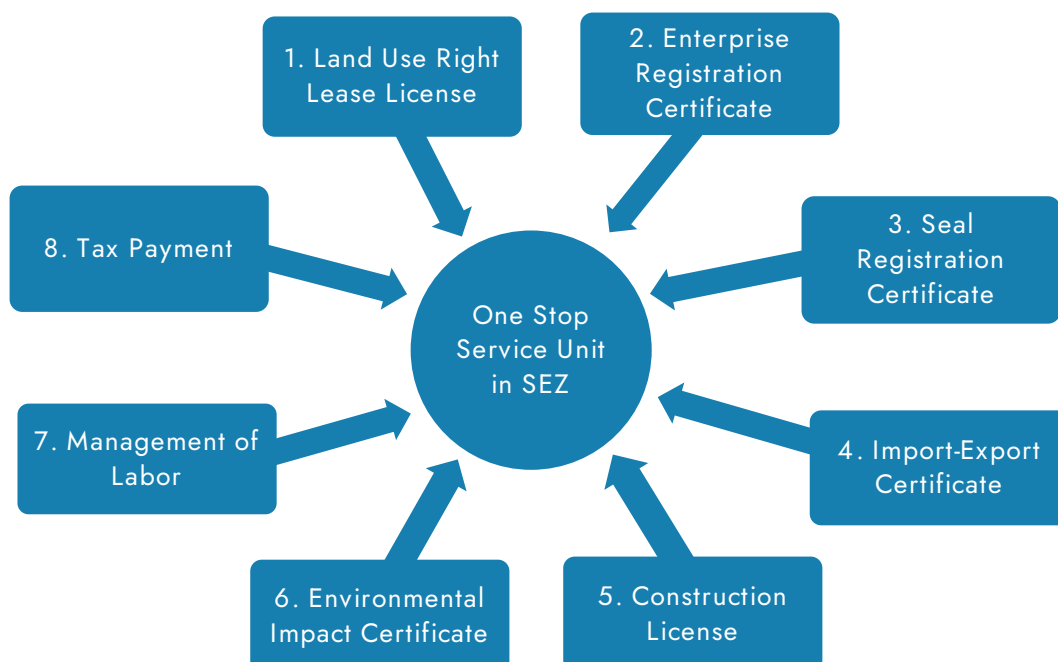
To apply for the Project Development Agreement, the developer must submit the following documents:

1. Application Form for SEZ Development;
2. Certificate of project land area issued by local authority and relevant sectors;
3. Project development master plan and preliminary construction plan;
4. Feasibility Study;
5. Environment Certificate;
6. Draft SEZ Development Agreement;
7. Initial project area map;
8. Other supporting documents as specified in the application form for the development agreement.

5.4.4 Investments within SEZ

Domestic and foreign individuals, legal entities wishing to invest in SEZ can submit the application form to the SEZA for consideration in accordance with the One Stop Service mechanism.

Figure 15: Services provided by the One Stop Service Unit in SEZ



1) Business Investment in Special Economic Zone

There are two procedures for approving businesses invest in SEZ:

- Business activities that require SEZA to seek approval:

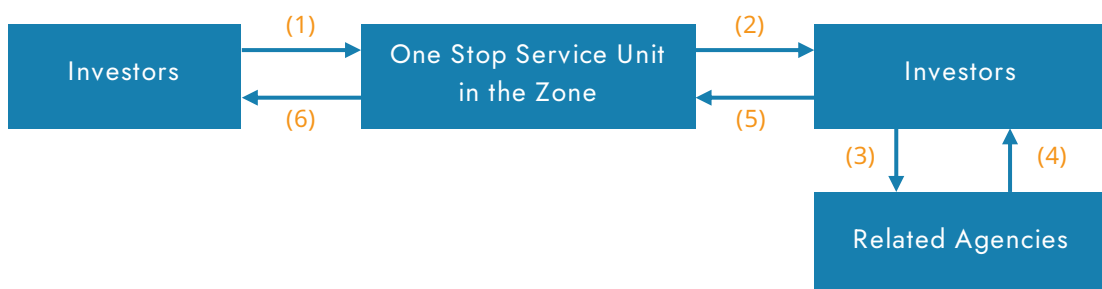
The list of business activities, that SEZA shall seek approval refers to the business activities that requires approval from the MPI through SEZO.

- Business Activities that the Special Economic Zone Authority (SEZA) can approve:

There are two types of business activities that SEZA can approve:

1. Business activities that need considerations and comments from relevant sectors in which the relevant sectors shall respond within 10 working days after receiving application form from SEZA. If there is no response within 10 days, implicit approval shall be implied;
2. Business activities that do not need consideration and comments from relevant sectors, SEZA can give approval for the application directly.

Figure 16: Procedures for consideration and approval in investment within SEZ



2) Investment Application

- Application form for investment;
- Feasibility Study or business operation plan (if required);
- Initial Social and Environmental Impact Assessment Report (if required);
- Enterprise incorporation contract (for joint investment);
- Company's Article of Association;
- Certification of financial status;
- Land Use Right Certificate;
- Certificate of individual identification or legal entity status;
- Other documents stated in the application form for investment.

5.5 Public Private Partnership (PPP)

A partnership between public and private parties or known as Public-Private Partnership (PPP), can be a joint investment between public and private entities or a partnership where the investment capital is borne entirely by a private party into a public project such as a newly established project, a project to improve existing infrastructure or a project to provide public services, including to develop tourism, agriculture, energy, mining and others under a joint-venture agreement within a certain period of business operation time in compliance with the rules of law.

Public Private Partnership can be divided into 2 forms as below:

1. Partnerships with Public Financial Contributions

A partnership with public financial contributions is a form of partnership where the government directly contributes its capital into the project development along with the private party based on the project's FS and based on the government's agreement or on approval of the National Assembly or of the People's Assembly of the relevant province as specified in the governing laws and regulations on a case-by-case basis.

2. Partnerships where Investment Capitals Are Borne Entirely by Private Parties

For this form of partnership, a private party is responsible for the entire investment capital of a public development project based on the project's FS and based on the government's agreement or on approval of the National Assembly or of the People's Assembly of the relevant province as specified in the governing laws and regulations on a case-by-case basis.

5.5.1 Models of Partnerships

Partnerships can be established in one of the following models:

1. Partnerships in the Design, Build, Finance and Operate (DBFO) Model

- This is the correct model to use if: the project in question is a development project, a project to improve infrastructure or a project to provide services, or if the project is owned by the government, who invites a private party permission to enter into a partnership where the investment capital is either borne entirely by the private party or the majority of the capital comes from the private party. The partnership begins from the designing, building, financing stages all the way through the operational and maintenance stages until the end of the project life in accordance to the

standards and requirements determined by the government in the partnership agreement;

- Costs of maintenance, repair and replacement fall under the responsibilities of the private party throughout the term of the partnership agreement;
- In the case that the government has to contribute to the investment capital, the source of funds for repayment shall be derived from the state budget as determined in the budget plan payable for partnership projects. The repayment shall be implemented during the operational stage based on the real outputs of the project's business services and in accordance to the approved feasibility study and the partnership agreement throughout the term of the agreement. In case the government does not contribute to the investment capital, the private party shall collect income directly from the project;
- At the end of the term of the agreement, the private party shall transfer the project back to the government in good condition.

2. Partnerships in the Design, Build and Operate (DBO) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. The project is owned by the government where a private party is contracted to design, build and operate under requirements and standards determined by the government in a partnership agreement. The project's operations can be proceeded under the partnership agreement or under a separate operation agreement;
- Costs of maintenance, repair and replacement fall under the responsibilities of the private party throughout the term of the partnership agreement;
- The repayment shall be split into two stages. The repayment for the design and construction shall be made after the completion of the construction in installments based on agreement. The repayment for the operation throughout the term of the agreement shall be made based on the real outputs of the project's business services and in accordance to the approved feasibility study and the partnership agreement;
- The source of funds for repayment shall be derived from the state budget as determined in the budget plan payable for projects and allocated from the incomes the government receives directly from the project.

3. Partnerships in the Build, Operate and Transfer (BOT) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. The project is owned by the government who grants concession rights to a private party to study,

design, build and operate under the requirements and standards determined by the government in the partnership agreement;

- The private party is responsible for the investment capital and for all incomes and expenditures of the project as determined in the approved feasibility study and in the agreement signed with the government;

Costs of maintenance, repair and replacement fall under the responsibilities of the private party throughout the term of the agreement;

- The private party shall transfer the project in good condition to the Government after the termination of the agreement.

4. Partnerships in the Build, Own, Operate and Transfer (BOOT) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. It is a large-scale project with complicated technical structures. The project is owned by the government who grants concession rights to a private party to study, design, build, own and operate under the requirements and standards determined by the government in the partnership agreement;

- The private party is responsible for the investment capital and for all income and expenditures of the project throughout the term of the agreement as determined in the approved feasibility study and in the agreement signed with the government throughout the term of the agreement;

- Costs of maintenance, repair and replacement fall under the responsibilities of the private party throughout the term of the agreement;

- The private party shall transfer the project in good condition to the Government after the termination of the agreement.

5. Partnerships in the Build, Own and Operate (BOO) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. The project is owned by the government who grants concession rights to a private party to study, design, build and operate under the requirements and standards determined by the government in the agreement;

- The private party is responsible for the investment capital and for all income and expenditures of the project throughout the term of the agreement as determined in the approved feasibility study and in the agreement signed with the government throughout the term of the agreement;

- Costs of maintenance, repair and replacement fall under the responsibilities of the private party throughout the term of the agreement;
- At the end of the term of the partnership agreement, the private party does not transfer the project back to the government.

6. Partnership in the Build, Transfer and Operate (BTO) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. The project is owned by the government who grants rights to a private party to invest in the designing and building of the project under the requirements and standards determined by the government in the agreement. After the building stage is completed, the project is transferred back to the government.
- The government will lease the facility(ies) or the service(s) to the private party who has invested in the project to operate under a lease agreement;
- The private party is responsible directly for the business operation and the collection of all incomes deriving from the project throughout the term of the lease agreement.

7. Partnerships in the Build, Lease and Transfer (BLT) Model

- This is the correct model to use if: the project in question is a development project, a project to improve an infrastructure or a project to provide services. The project is owned by the government where a private party is contracted to design and build under the requirements and standards determined by the government in an agreement. After the building stage is completed, the project is transferred back to the government;
- The government will then select a private party to lease the facilities or to jointly provide services under a lease agreement or a partnership agreement;
- Throughout the term of the lease agreement, the private party is responsible directly for the business operation and collection of all income deriving from the project;
- At the end of the term of the lease agreement, the private party shall transfer the project back to the government in good condition;
- The source of funds to repay for the designing and building shall be derived from the state budget as determined in the budget plan payable for projects. The repayment can be a lump-sum payment or broken up into installments as specified in the agreement.

8. Partnerships in the Operate and Maintenance (O&M) Model

- This is the correct model to use if: the project in question is an existing infrastructure project or a project to provide services owned by the government where a private party is contracted to operate and maintain partially or entirely under the requirements and standards determined by the government in an agreement;
- The source of funds to repay for the operation and maintenance shall be derived from the state budget as determined in the budget plan payable for projects. The repayment can be a lump-sum payment or broken up into installments based on the real outputs of the operation as specified in the agreement.

5.5.2 The Preparation, Consideration and Tendering of a Partnership Project

There are two types of PPP proposals including: Solicited Proposal and Unsolicited Proposal:

1) Solicited Proposal

A solicited proposal (SP) for a partnership project is a document that proposes an initial idea by an agency under the strategic plan of the national socio-economic development plan. It aims at drawing a private party(ies) to enter into an investment partnership.

An agency wishing to develop a partnership project that falls within the agency's development plan shall submit a solicited proposal to the Office of Public-Private Partnership (OPPP) at the central level for consideration and reporting further to Committee for Investment Promotion and Management at the central level within 20 business days for an investment in an activity dictated by the governing laws and regulations to be supervised by the central authority.

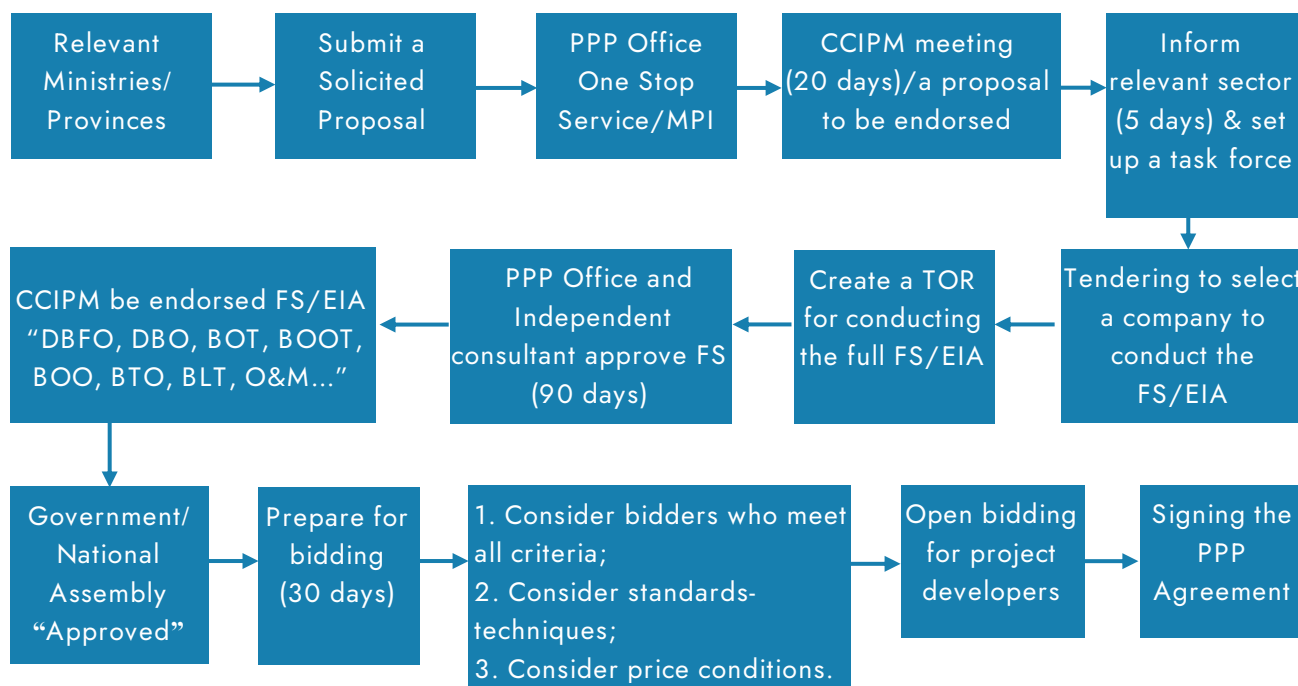
An agency at the provincial level wishing to establish a partnership project shall submit a solicited proposal to its vertical line of management, going through the top management of the province for inclusion in the plan to be submitted for the government's consideration via the COSO.

CIPM²³ reviews and considers solicited proposals for partnership projects. In the case that a proposal shall be endorsed, the OPPP shall inform the relevant agency in writing within 5 business days from the day CIPM reaches the resolution in order to prepare a framework for a FS and an environmental, social and natural impact assessment of the project

²³ In the transition period where CIMP was termination under the Prime Minister's Office issues the Notification No. 91/PMO, dated the 22nd August 2022, PPP Proposals was considered by Ministerial Meeting led by Minister of MPI until there is a new PPP mechanism in place.

in details before conducting a tendering to select a company to explore further. In case the proposal is not endorsed, a notification with reasons shall be given to the relevant agency²⁴.

Figure 17: Procedures for Consideration of Solicited Proposals (SP) for Partnership Projects



2) Unsolicited Proposal

An unsolicited proposal (USP) for a partnership project is a proposal for a brand-new project. It can come either from an agency or from a private party. It is in compliance with the policy of the in-force periodic national socio-economic plan. It shall be an important project with a new concept, using new technology with a high degree of innovation. An unsolicited proposal proposes a new project that is not included in the investment plan of the government.

An agency or a private party wishing to develop an unsolicited partnership project may submit an unsolicited proposal along with a preliminary FS and an environmental, social and natural impact assessment of the project to the OPPP for further submission to CCIPM within 45 business days after receiving complete comments from relevant agencies at the central and provincial levels.

²⁴ The relevant sectors create Term of Reference (TOR) for technical, economic and financial feasibility study (FS), detailed environmental impact assessment (EIA) of the project, for bid the consulting companies to conduct the FS.

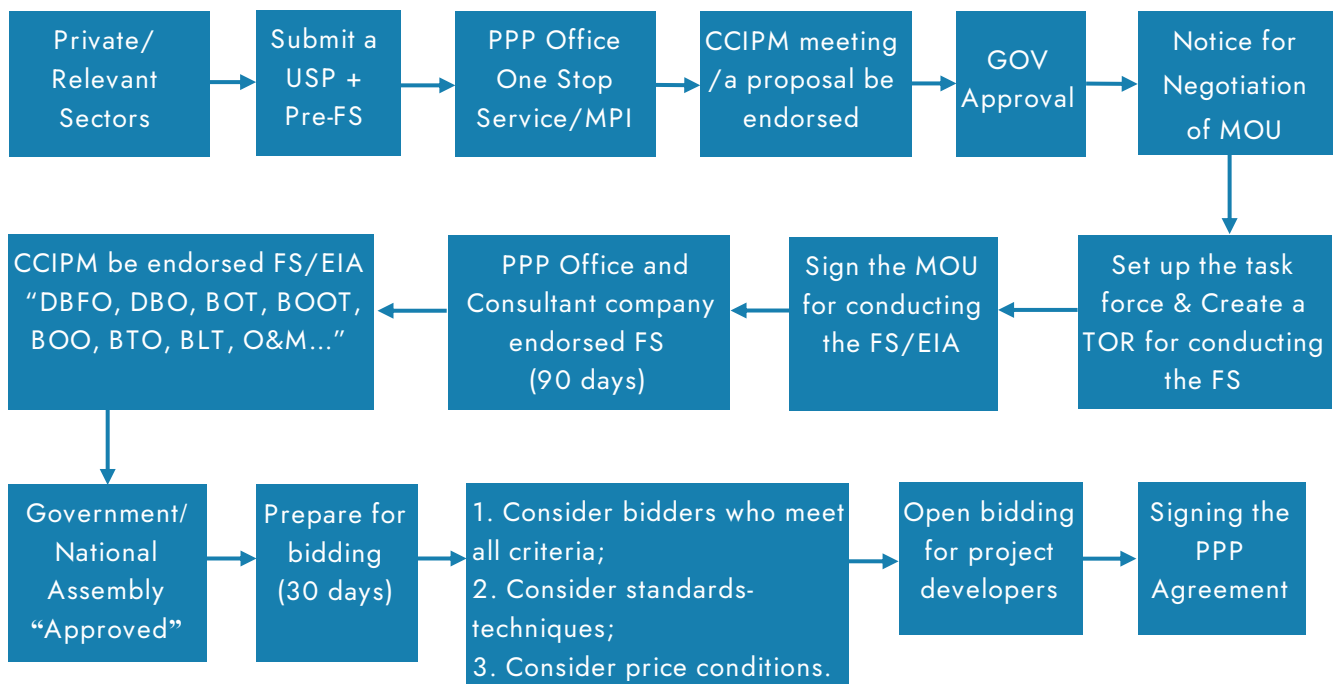
In the case that CCIPM views that the unsolicited proposal along with the preliminary FS and the environmental, social and natural impact assessment of the project are complete and with correct information, MPI will present them to the government for consideration. After being considered and approved by the government, the OPPP shall inform the relevant private party to sign an MOU and develop a detailed FS and environmental, social and natural impact assessment of the project in order to place a bid for the right to explore in the next step. In case the proposal is rejected, a notification shall be made to the relevant agency along with the reasons for rejection.

A private party who submitted an unsolicited proposal or a consulting company selected to conduct further exploration of an agency’s project shall not be automatically granted with the right to develop the project. The selection must be done via a tendering process. In case the initiator of the unsolicited proposal does not win the tender, it shall receive reimbursements for the costs of the unsolicited proposal paid by the winning bidder. The reimbursement amounts shall be calculated as parts of the project investment costs and be declared in the bidding documents.

In the case that the private party who submitted the unsolicited proposal places a bid at the higher price, the below-listed incentives will be offered:

- automatic shortlisting into the final bidding round;
- the maximum bonus of no greater than 5% of the bidding price.

Figure 18: Procedures for Consideration of Unsolicited Proposals (USP)



3) Requirements for Solicited and Unsolicited Proposals for Partnership Projects

Solicited and unsolicited proposals for partnership projects shall be in compliance with the government's policy and the national socio-economic development plan and with strategic plans of relevant agencies.

For unsolicited proposals for partnership projects, there are additional requirements as follows:

- Be a project based on a new initiative of an agency or of a private party;
- Be an important project that uses new technology and innovation, and be good value-for-money;
- Yield high returns and effect a broad socio-economic realm;
- Provide detailed information sufficient for project assessment or for further project's feasibility studies;
- If proposed by a private party, the private party shall be responsible for all costs associated with the project's preparation and operation, including any potential risks of the project, without making any requests for financial support or customs and tax incentives.

Supporting Documents for Public Private Partnership Application

1. Investment Application forms (printed form);
2. Unsolicited Proposals of Partnership Project with Project development ideas, those are certified by the company's President or CEO (Authorized person);
3. Company history and experience license or business operating license of the company;
4. Joint-venture agreement (in case of two or more companies);
5. History and copy of investor's passport;
6. Authorization letter for the representative of the subsidiary or company, in the event that such person is not in the highest position of the company;
7. Map of project locations (if available);
8. Documentation of technical information of the project (if available);
9. The letter of financial support of the financial institution or bank (if available);
10. Other relevant documents.

Part 06

The Representative Office

6.1. Application for Establishing the Representative Office

Representative offices of foreign legal entities are liaison offices acting on behalf of their parent companies in surveying for investment opportunities and coordinating with relevant public and private parties in the Lao PDR.

A foreign legal entity wishing to establish its representative office in the Lao PDR shall submit an application to the Investment One Stop Service Office who in return shall consider and issue or deny a license for the establishment of the representative office to the company within fifteen (15) working days after receiving the application.

The representative office license acknowledges lawful rights of a representative office to carry out activities in accordance with its terms of reference, rights and obligations, namely: to collect information on investment opportunities, based on which, its parent company may decide whether or not to invest in the Lao PDR. Representative offices are not allowed to conduct commercial activities.

6.2. Conditions for Establishing the Representative Office

- Must be a foreign legal entity;
- The purpose of establishing is to study and collect information for investment possibility in Lao PDR; and
- 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 the main company).

6.3. Application for Establishing the Representative office

- Application for the establishing of the representative office;
- Article of Association (AOA) of the representative office proposing the establishment;
- 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;
- Legalized copy of registration certificate of Mother Company;
- Copy of regulations Article of Association (AOA) of main company (If available);
- Statement report or Bank Account of Parent Company.

Annex 1

Lists of Investment Promotion Activities

➤ Horizontal Requirements (HR) for the granting of investment incentives

Enterprises investing in the Lao PDR and wishing to apply for Profit Tax Incentives and State Land Rental or Concession Fee Incentives must meet the following criteria:

- 1) Enterprises investing in promoted business sectors according to Article 9 of the Law on Investment Promotion [must meet] the detailed [criteria] specified in the table below:
- 2) The investments must have a minimum value of LAK 1.2 billion, or employ at least 30 Lao skilled workers, or employ 50 or more Lao laborers with employment contracts of at least 1 year;
- 3) Registered capital must be paid up in full as specified in Articles 53 and 54 of the Law on Investment Promotion;
- 4) Must operate business on regular basis and in compliance with customs, taxes, and other obligations in accordance with the relevant laws and regulations;
- 5) Must fully and strictly comply with environmental obligations in accordance with laws and regulations.

In addition to the HRs above, certain business sectors must have the specific requirements (SRs), as follows:

No.	LSIC	Sectors	Specific Requirements (SR)
1. High and modern technology application, scientific research, research and development, use of innovative, environmental-friendly [technology] application, and efficient use of natural resource and energy			
1	2431	Casting of iron and steel	<ol style="list-style-type: none"> 1) Must use modern technology (new machinery not older than 5 years from the date of production); 2) Must comply with the ISO 14000 standards (within 4 years of receiving a factory operation license); 3) And must comply with the HR.
2	2432	Casting of non-ferrous metals	<ol style="list-style-type: none"> 1) Must use modern technology (new machinery not older than 5 years from the date of production); 2) Must comply with the ISO 14000 standards (within 4 years of receiving factory operation license); 3) And must comply with the HR.
3	2610	Manufacture of components for electronic appliances	HR compliance
4	2620	Manufacture of computers and peripheral equipment	HR compliance

5	2631	Manufacture of communication equipment	HR compliance
6	2640	Manufacture of electronic appliances	HR compliance
7	2660	Manufacture of medical lamps and electromedical testing and radiology equipment	HR compliance
8	2670	Manufacture of eye testing equipment and peripherals	HR compliance
9	2710	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	HR compliance
10	2720	Manufacture of batteries and accumulators	HR compliance
11	2731	Manufacture of fiber-optic cables	HR compliance
12	2732	Manufacture of other electronic and electric wires and cables	HR compliance
13	2733	Manufacture of wiring devices	HR compliance
14	2740	Manufacture of electric lighting equipment	HR compliance
15	2750	Manufacture of electrical appliances [for use] in buildings	HR compliance
16	2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production; 2) Must comply with the ISO 9001 standards (within 4 years from the commencement of production); 3) And HR compliance.
17	2812	Manufacture of fluid power equipment	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production; 2) Must comply with the ISO 9001 standards (within 4 years from the commencement of production); 3) And HR compliance.
18	2813	Manufacture of other pumps, compressors, taps and valves	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production;

			<ol style="list-style-type: none"> 2) Must comply with the ISO 9001 standards (within 4 years from the commencement of production); 3) And HR compliance.
19	2814	Manufacture of bearings, gears, gearing and driving elements	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
20	2815	Manufacture of ovens, furnaces and furnace burners	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
21	2816	Manufacture of lifting and handling equipment	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
22	2819	Manufacture of other general-purpose machinery	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
23	2821	Manufacture of agricultural and forestry machinery	HR compliance
24	2822	Manufacture of metal-forming machinery and machine tools	HR compliance
25	2823	Manufacture of machinery for metallurgy	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.

26	2824	Manufacture of machinery for mining, quarrying and construction	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
27	2825	Manufacture of machinery for food and beverage processing	HR compliance
28	2826	Manufacture of machinery for textile, apparel and leather production	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 3) And HR compliance.
29	2910	Manufacture of motor vehicles	HR compliance
30	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	<ol style="list-style-type: none"> 1) Must comply with the ISO 9001 standards (within 4 years of from the commencement of production); 2) 20% of the number of parts must be manufactured domestically.
31	3091	Manufacture of motorcycles	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years from the commencement of production); 3) IKD manufacturing; 4) And HR compliance.
32	-	Manufacture of solar energy equipment, such as inverters, power control units (PCUs), solar panels, streetlights, and so forth	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years from the date of production; 2) Must comply with the ISO 9001 standards (within 4 years from the commencement of production); 3) And HR compliance.
33	-	Promotion of the development of renewable energy to generate electricity, such as solar PV, solar thermal, wind energy, biofuel, and biodiesel	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills;

			<ol style="list-style-type: none"> 5) There must be modern technology and ISO or GMP standards; 6) There must be project operations [taking place] within the country and the hiring of domestic workers; 7) There must be domestic and overseas market demand; 8) And HR compliance.
34	-	Promotion of the cultivation of energy crops and the production and use of biodiesel and bioethanol; promotion of the production of green H ₂	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards; 6) There must be project operations [taking place] within the country and the hiring of domestic workers; 7) There must be domestic and overseas market demand; 8) And HR compliance.
35	-	Promotion of the production of biogas from factories and agricultural leftovers for use in the generation of electricity and in the transport and food processing sectors	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards; 6) There must be project operations [taking place] within the country and the hiring of domestic workers; 7) And HR compliance.
36	-	Promotion of the production of chemical components for the production of biodiesel	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards;

			<ol style="list-style-type: none"> 6) There must be project operations [taking place] within the country and the hiring of domestic workers; 7) And HR compliance.
37	-	Manufacture of electric vehicles (electric automobiles, electric motorbikes, and electric bicycles)	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards; 6) A factory must be established for the assembly or production of both vehicles and parts; 7) Domestic workers and materials existing within the country must be used; 8) Aftersales services must be provided; 9) There must be domestic and overseas market demand to allow sales; 10) [The disposal or recycling of] equipment and materials which have passed their useful life, such as batteries, must be properly managed; 11) And HR compliance.
38	-	Processing of solid waste and leftovers into universal/recycled energy	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment ; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards; 6) The project must be established within the country and domestic workers must be hired; 7) Exclusively solid waste located domestically can be used; 8) And HR compliance.
39	-	Production of biofuels, such as biodiesel (B5, B10, and B20) and biofuels (E5, E10, E20, E85, and E95)	<ol style="list-style-type: none"> 1) The investment must generate high revenues for the country; 2) The investment must be sustainable, green, and cause no harm to the environment; 3) The investment must have value-added products; 4) The investment must pass on knowledge for occupational skills; 5) There must be modern technology and ISO or GMP standards;

			<p>6) A factory must be established for production and blending with petroleum and domestic workers must be hired;</p> <p>7) And HR compliance.</p>
II. Clean, toxic-free agriculture, planting seed production, animal breeding, industrial plantations, forestry development, protection of the environment and biodiversity, and activities promoting rural development and poverty reduction			
40	0111	Growing of cereals (except rice), leguminous crops, and oil seeds (such as soybeans, mung beans, peanuts, cowpeas, sacha inchi (<i>Plukenetia volubilis</i>), kidney beans, sweetcorn, corn (maize), sesame seeds, Job's tears, etc.)	<p>1) Must have GAP or OA accreditation within 3 years.</p> <p>2) Other conditions specified in the relevant laws and regulations in force during each period must be met;</p> <p>3) And HR compliance.</p>
41	0112	Growing of rice (including wheat)	<p>1) Must have GAP or OA accreditation within 3 years;</p> <p>2) Other conditions specified in the relevant laws and regulations in force during each period must be met;</p> <p>3) And HR compliance.</p>
42	0113	Growing of vegetables and watermelons, roots and tubers (such as cassava, sweet potatoes, potatoes, white turnips (<i>Pachyrrhizus angulatus</i>), taro, etc.)	<p>1) Must have GAP or OA accreditation within 3 years.</p> <p>2) Other conditions specified in the relevant laws and regulations in force during each period must be met;</p> <p>3) And HR compliance.</p>
43	0114	Growing of sugar cane	<p>1) Must have GAP or OA accreditation within 3 years</p> <p>2) Other conditions specified in the relevant laws and regulations in force during each period must be met</p> <p>3) And HR compliance.</p>
44	0116	Growing of fiber crops	<p>1) Must have GAP or OA accreditation within 3 years.</p> <p>2) Other conditions specified in the relevant laws and regulations in force during each period must be met;</p> <p>3) And HR compliance.</p>
45	0121	Growing of grapes	<p>1) Must have GAP or OA accreditation within 3 years;</p>

			<ol style="list-style-type: none"> 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
46	0122	Growing of tropical and subtropical fruits (such as bananas, mangos, papayas, pineapples, tamarinds, avocados, and grapes, etc.)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
47	0123	Growing of citrus fruits (such as lime and kaffir lime)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
48	0126	Oleaginous fruits (such as coconuts, palm trees, beach mulberries (Morinda citrifolia, etc.)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
49	0127	Growing of beverage crops (such as coffee, tea, etc.)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
50	0128	Growing of spices, aromatic, drug and pharmaceutical crops	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
51	0129	Growing of other perennial/industrial trees (exclusive of the growing of rubber trees)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years; 2) The investment must have value-added products; 3) A processing plant must be established; 4) Other conditions specified in the relevant laws and regulations in force during each period must be met; 5) And HR compliance.

			Remark: Individuals and legal entities can plant rubber trees provided that conditions allow, especially in regard to land, capital, and a definite market, but the Government does not allow State land concessions for the additional planting of rubber trees.
52	-	Reforestation and afforestation to produce carbon credits (carbon trading)	<ol style="list-style-type: none"> 1) Compliance with the relevant laws and regulations in force during each period; 2) And HR compliance.
53	0130	Publicity of plant propagation (including the production of equipment for planting crops, taking cuttings of vegetable plants and bamboo, and cultivars to be directly promoted or to be accumulated for breeds to be selected for cultivation in practice)	<ol style="list-style-type: none"> 1) Must have GAP or OA accreditation within 3 years. 2) Other conditions specified in the relevant laws and regulations in force during each period must be met; 3) And HR compliance.
54	0141	Raising of cattle and buffalos (the raising of cattle and buffalos and the production of calves thereof)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified by supervisory and veterinary organizations and other conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
55	0142	Raising of horses and other equines (the raising and the production of foals)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council;

			<ol style="list-style-type: none"> 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) HR compliance.
56	0144	Raising of sheep and goats (raising and production of lambs and kids)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
57	0145	Raising of swine/pigs (raising of pigs and production of piglets)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
58	0146	Raising of poultry (raising and production of poultry)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities;

			<ol style="list-style-type: none"> 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
59	0149	Raising of other animals (raising and production of other animals' young)	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
60	0322	Freshwater aquaculture	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
61	21009	Production and provision of veterinary medicines and the veterinary products	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities;

			<ol style="list-style-type: none"> 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
62	-	Production and provision of equipment of livestock raising and fisheries	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance
63	7500	Construction of veterinary hospitals	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 5) And HR compliance.
64	1080	Manufacture of prepared animal feeds	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles; 2) Agreement must be obtained from the relevant sector(s) and local authorities; 3) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 4) And HR compliance.
65	72102	Research and development into agricultural science,	<ol style="list-style-type: none"> 1) There must be suitable land, capital, head offices, structures, equipment, tools, and vehicles;

		livestock raising, veterinary medicine, and fisheries	<ol style="list-style-type: none"> 2) There must be specialists in animal raising of diploma level or above or certified veterinarians with work experience relating to animal raising. Businesses associated with veterinary [services] must have veterinarians and veterinary nurses certified by the Veterinary Council; 3) Agreement must be obtained from the relevant sector(s) and local authorities; 4) Must have ISO 17025 accreditation; 5) Must comply with other necessary conditions specified in the relevant laws and regulations in force during each period; 6) And HR compliance.
III. Environmentally-friendly agricultural processing industry, national traditional and unique handicraft processing industry			
66	1021	Processing and preserving of meat and fish products	HR compliance
67	1031	Processing and preserving of fruit and vegetables	HR compliance
68	1041	Manufacture of vegetable and animal oils and fats	HR compliance
69	1051	Manufacture of dairy products	HR compliance
70	1062	Manufacture of starch products	<ol style="list-style-type: none"> 1) Must be ISO 9001, ISO 14000, GMP, or HACCP accredited (within 4 years from the commencement of production) 2) And HR compliance
71	1072	Manufacture of sugar	<ol style="list-style-type: none"> 1) Must be ISO 9001, ISO 14000, GMP, or HACCP accredited (within 4 years from the commencement of production) 2) And HR compliance
72	1311	Preparation and spinning of textile fibers	HR compliance
73	1312	Weaving of textiles	HR compliance
74	1313	Finishing of textiles	HR compliance
75	1391	Manufacture of knitted and crocheted fabrics	HR compliance

76	1392	Manufacture of made-up textile articles except apparel	HR compliance
77	1393	Manufacture of carpets and rugs	HR compliance
78	1411	Manufacture of apparel (not including clothing tailored for men and women)	1) Must have ISO 9001 accreditation or other international standard (for tanning, curing, or dyeing, ISO 14000 is required) within 4 years from the commencement of production; 2) And HR compliance
79	1430	Manufacture of knitted and crocheted apparel	HR compliance
80	1629	Manufacture of other products of wood; manufacture of articles of straw and plaiting materials	HR compliance
81	2012	Manufacture of fertilizers and nitrogen compounds	1) Must use modern automated or semi-automated technology (with a number of workers to assist) and machinery must not be older than 5 years of the date of production 2) Must have ISO 14000 accreditation within 4 years from the commencement of production 3) And HR compliance.
IV. Environmentally-friendly and sustainable natural, cultural, and historical tourism development industry			
82	55101	Investment into hotels of five or more stars	1) Must have a hotel of five or more stars as specified in the laws and regulations of the information, culture, and tourism sector; 2) And HR compliance.
83	-	Investment into national-level natural, cultural and historical tourist sites	1) Must have a tourist site which has yet to be developed; 2) Must meet other conditions specified in the relevant laws and regulations in force during each period; 3) And HR compliance.
V. Education, sports, human resource development and labor skill development, vocational training institutions or centers, production of educational and sports equipment;			
84	3220	Manufacture of musical instruments	HR compliance

85	3230	Manufacture of sports goods	HR compliance
86	8510	Pre-primary and primary education	HR compliance
87	8521	General secondary education	HR compliance
88	8522	TVET	HR compliance
89	8530	Higher education	HR compliance
90	8541	Sports and entertainment education (artistic performances and exhibitions)	HR compliance
91	8542	Cultural education	HR compliance
92	-	Construction of vocational skills development centers	HR compliance
VI. Construction of modern hospitals, pharmaceutical and medical equipment factories, and production of and treatment by traditional medicines			
93	8610	General hospital activities	<ol style="list-style-type: none"> 1) Compliance with the specific conditions specified in the relevant laws and regulations in force during each period; 2) HR compliance.
94	-	Specialized hospitals (ophthalmological, dermatological, dental, cardiovascular, plastic surgery and beautification, and physiotherapeutic)	<ol style="list-style-type: none"> 1) Compliance with the specific conditions specified in the relevant laws and regulations in force during each period; 2) HR compliance.
95	-	Traditional medicine hospitals (treatment using traditional medicine, including acupuncture, herbal saunas, and traditional massage)	<ol style="list-style-type: none"> 1) Compliance with the specific conditions specified in the relevant laws and regulations in force during each period; 2) HR compliance.
96	2100	Manufacture of pharmaceuticals (for both modern and traditional medicine), chemical products used in the processing of	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology and machinery must not be older than 5 years of the date of production; 2) Must be GMP (ASEAN CMP, PICS-GMP. WHO) accredited within 4 years from the commencement of production;

		<p>pharmaceuticals and botanical medicines, including:</p> <ul style="list-style-type: none"> - Vaccine manufacture; - Raw materials and chemicals for pharmaceutical manufacture; - Health supplement products. 	3) HR compliance.
97	3250	Manufacture of medical equipment	<ol style="list-style-type: none"> 1) Must use modern automated or semi-automated technology and machinery must not be older than 5 years of the date of production; 2) Must be ISO 13485 accredited within 4 years from the commencement of production; 3) And HR compliance.
VII. Investment, service provision, and development of public infrastructure for urban traffic congestion reduction and residence facilities, infrastructure development for agricultural and industrial production, freight transportation and transit services, and international connections			
98	4921	Urban and suburban passenger land transport (buses)	<ol style="list-style-type: none"> 1) Individuals or legal entities wishing to establish an enterprise must have experience in the operation of a land transport business; 2) Must have specialists with technical skills in land transport and other relevant specialists in numbers suitable to the scale of the business activity; 3) Must have suitable capital, head offices, service locations, vehicles, equipment, and facilities; 4) Must have routes approved by the public works and transport sector for the transportation of passengers; 5) Must have professional ethics for land transport; 6) Must be a domestic investment or joint venture with foreign partners (but the foreign investors can have a maximum shareholding of 49%); 7) 100% of the passenger transport vehicles must be new; 8) And HR compliance.
99	4922	Domestic interprovincial passenger transport	<ol style="list-style-type: none"> 1) Individuals or legal entities wishing to establish an enterprise must have experience in the operation of a land transport business; 2) Must have specialists with technical skills in land transport and other relevant specialists in numbers suitable to the scale of the business activity;

			<ol style="list-style-type: none"> 3) Must have suitable capital, head offices, service locations, vehicles, equipment, and facilities; 4) Must have routes approved by the public works and transport sector for the transportation of passengers; 5) Must have professional ethics for land transport; 6) Must be a 100% domestic investment; 7) 100% of the passenger transport vehicles must be new; 8) And HR compliance.
100	4923	Domestic freight transport	<ol style="list-style-type: none"> 1) Individuals or legal entities wishing to establish an enterprise must have experience in the operation of a land transport business; 2) Must have specialists with technical skills in land transport and other relevant specialists in numbers suitable to the scale of the business activity; 3) Must have suitable capital, head offices, service locations, vehicles, equipment, and facilities; 4) Must have professional ethics for land transport; 5) Must be a 100% domestic investment; 6) And HR compliance.
101	41002	Vehicle parking business activities	<ol style="list-style-type: none"> 1) Must have a feasibility study (FS) 2) Must have specialists with experience in operating a business; 3) Must have suitable capital for the scale and type of activities; 4) Must have an affirmation for the location of the head offices; 5) Must have a financial status certificate from a bank; 6) The public works and transport sector is responsible for inspecting and approving [such activities] and providing an opinion prior to enterprise registration; 7) It must be a domestic investment or joint venture with foreigners (but the foreign investors can have a maximum shareholding of 49%); 8) And HR compliance.
102	3011	Building of ships and floating structures	<ol style="list-style-type: none"> 1) Must generate jobs and impart knowledge, skills, and occupational expertise to Lao specialists; 2) Must promote the ancestral skills and knowledge of Lao people to be sustainable and develop further in the future; 3) Must attract foreign investment for generating value and revenues domestically;

			<ol style="list-style-type: none"> 4) Must reduce reliance on and the importation of finished boats from overseas; 5) Must incorporate modern working techniques and technologies into their production as appropriate; 6) Must promote environmentally friendly water transport; 7) And HR compliance.
103	3012	Building of pleasure and sporting boats	<ol style="list-style-type: none"> 1) Must generate jobs and impart knowledge, skills, and occupational expertise to Lao specialists; 2) Must promote the ancestral skills and knowledge of Lao people to be sustainable and develop further in the future; 3) Must attract foreign investment for generating value and revenues domestically; 4) Must reduce reliance on and the import of finished boats from overseas; 5) Must incorporate modern working techniques and technologies into their production as appropriate; 6) Must promote environmentally friendly water transport; 7) And HR compliance.
104	5021	Inland passenger water transport	<ol style="list-style-type: none"> 1) Water transport has been a tradition associated with the lives, livelihoods, and lifestyles of Lao people and a traditional custom since time immemorial; 2) Water transport is economical, safe, and environmentally friendly; 3) Must provide access to remote areas with no land transport access; 4) Must promote modern water tourism and attract the attention of domestic and foreign tourists; 5) Must generate added value for tourists and the preservation of the fine customary traditions of the country; 6) Water transport can link up to other forms of transport at local and regional levels; 7) And HR compliance.
105	5022	Inland freight water transport	<ol style="list-style-type: none"> 1) Water transport has been a tradition associated with the lives, livelihoods, and long-established custom of Lao people; 2) Water transport is economical, safe, and eco-friendly; 3) Freight transported by water can take place in great volumes and reduce land travel and the construction and repair of expensive roads;

			<p>4) Water transport can link up to other forms of transport at local and regional levels;</p> <p>5) And HR compliance.</p>
VIII. Policy banks and microfinance institutions, focusing on poverty reduction for people and communities who have less access to a bank			
106	-	Savings and Credit Unions (SCUs)	<p>1) SCUs must comply with the conditions specified by BOL;</p> <p>2) Must be in areas where basic infrastructure is un conducive to investment and the geographical locations thereof are mostly in remote mountainous areas listed as Zone 1;</p> <p>3) Must be certified and requested by BOL;</p> <p>4) And HR compliance.</p>
IX. Modern commercial centers promoting domestic products and world-renowned brands, exhibition centers, and fairs for domestic industrial, handicraft and agricultural products			
107	-	Establishment of modern commercial centers promoting domestic products and world-renowned brands	HR compliance
108	-	Establishment of markets in rural remote areas	HR compliance

Remarks:

- **GAP** refers to Good Agricultural Practices
- **GMP** refers to Good Manufacturing Practices
- **HACCP** (Hazard Analysis Critical Control Point) refers to Hazard Analysis Critical Control Point in food processing.
- **IKD (Incompletely Knocked Down)** refers to components which are incompletely unassembled and separated from overseas to be imported for assembly at a factory while a number of the components and parts are manufactured and finished within the country.
- **ISO** refers to International Organization for Standardization
- **ISO 9001** refers to a specification of standards for the quality and development of production, installations, and services.
- **ISO 13485** refers to a specification of medical device quality management systems.
- **ISO 14000** refers to a specification of standards for environmental management systems.
- **ISO 17025** refers to general specifications to certify the competence of research laboratories.
- **LSIC** (Lao Standard Industrial Classification of All Economic Activities) refers to the demarcation of the economic sectors of the Lao PDR.
- **OA** (Organic Agriculture) refers to a specification of standards for organic agriculture.
- **PICS-GMP** (Pharmaceutical Inspection Co-operation Scheme – Good Manufacturing Practices) refers to specifications for pharmaceutical inspection and quality assessment.
- **WHO** (World Health Organization) refers to the World Health Organization.

Annex 2

Lists of Districts in Each Investment Promotion Zones

Name Province / Capital	Investment Promotion Zones		
	Zone 1	Zone 2	Zone 3
Vientiane Capital City	-	- Chanthabouly District - Sikhottabong District - Xaysettha District - Sisattanak District - Naxaithong District - Xaythany District - Hadxayfong District - Sangthong District - Park-Nguem District	Special economic zones are established by agreement of the government from time to time.
Phongsaly Province	- Phongsaly District - May District - Khoua District - Samphanh District - Yot Ou District - Boun Tay District	- Boun Neua District	
Luang Namtha Province	- Long District - Nalae District	- Luangnamtha District - Sing District - Viengphukha District	
Oudomxay Province	- Nga District - Parkbeng District	- Xay District - Rar District - Na-Mor District - Beng District - Houn District	
Bokeo Province	-	- Houai Xai District - Ton Pheng District - Meng District - Pha-ou-dom District - Parktha District	
Luang Prabang Province	- Parkseng District	- Luang Prabang City - Xiengngern District - Nan District - Park-ou District - Nambark District - Ngoy District - Chomphet District - Phoukhun District - Phonexay District - Viengkham District - Phonethong District	
Houaphanh Province	- Hua Mueng District - Sam Tay District - Guan District	- Sam Neua District - Haim Distric (Vieng thong District)	

	- Xon District	- Xiengkho District - Viengxay District - Sopbao District - Et District	
Xayaboury Province	- Xaysathan District	- Xayabouly District - Khob District - Hongsa District - Ngern District - Xieng Hone District - Phieng District - Parkrai District - Gand Thao District - Bor Tand District - Thongmixay District	
Xiengkhuang Province	-	- Paek District - Kham District - Khoun District - Phoukhuth District - Phar Xay District - NongHat District - Mock District	
Vientiane Province	-	- Phonehong District - Thoulakhom District - Keo-ou-dom District - Ga-si District - Vang Vieng District - Phueng District - Sanakham District - Mad District - Vieng kham District - Hin-Heb District - Muern District	
Bolikhamxay Province	- Xay chan phone District	- Park sanh District - Tha pha bath District - Park ga dinh District - Bor li khan District - Kham kheth District - Vieng thong District	
Khammuan Province	-	- Tha khaek District - Ma ha xay District - Nong bork District - Hin boun District - Nhom ma lath District - Bua la pha District - Na Gai District - Say bang phai District - Xay bua thong District - Khounkham District	

Savannakhet Province	- Nong District	- Kaysone Phomvihane City - Outhoumphone District - Atsaphangthong District - Phin District - Thapangthong District - Songkhone District - Champhone District - Xone bou ly District - Xay bou ly District - Say Phorn District - Vi-la-bou-ly District - Assaphone District - Xay phou thong District - Pha lan xay District	
Salavan Province	- Ta Oy District - Sa Mouay District	- Salavan District - Toumlan District - Lakhonepheng District - Vapy District - Khongsedone District - Lao Ngam District	
Sekong Province	- Kaleum District	- La Mam District - Tha Teng District - Dak Chueng District	
Champasack Province	-	- Pakse City - Sanasomnoun District - Ba-Chieng-Chaleuansouk District - Paksong District - Pathouphone District - Phone thong District - Champasack District - Soukhoumma District - Mouanlapamok District - Khong District	
Attapeu Province	-	- Xaysettha District - Samakhixay District - Sanamxay District - Phou Vong District - Sanxay District	
Xaysomboun Province	- Long Chaeng District - Hom District	- Anouvong District - Tha thom District - Long Xan District	

Annex 3

List of Supporting Document for Investment Incentive Application

Items	Required Supporting Documents
Annual Import Plan (Master Plan)	<ol style="list-style-type: none"> 1) An application for duty and value added tax incentive for the Annual Import Plan; 2) Letter of Authorization for applying Investment Incentive certified by the director of company; 3) A brief business operating report (provided in application form); 4) A draft Annual Import Plan (According to application form of the Planning and Investment Sector) and soft file form; 5) Copy of Investment License (if any), Enterprise Registration Certificate; Business Operating License from the relevant authorities; Certificate of annual tax payment of previous year, Environment Certificate; Contract signed with the government (In the case of concession investment projects) and Construction Permits (in case of company / factory requesting for a new construction); 6) Copy of the Annual Import Plan of the previous year; and 7) Copy of the Annual Business Plan of the enterprise approved by the Industry and Commerce sector (In the case of enterprises or factories engaged in production) and Import Plans that are technically approved by the relevant authorities. <ul style="list-style-type: none"> - For chemicals must first have a chemical registration certificate from the Department of Industry and Handicrafts, Ministry of Industry and Commerce. - For pesticides and fertilizers, a certificate of registration of pesticides and fertilizers must be obtained from the Department of Agriculture, Ministry of Agriculture and Forestry. <p style="text-align: center;">(8-10 Sets)</p>
Additional Import Plans	<ol style="list-style-type: none"> 1) An application for duty and value added tax incentives for additional import plans; 2) Letter of attorney for the operator to run the document by certification and approval from the Director of the Enterprise; 3) A brief business operating report (provided in application form); 4) A draft Additional Import Plan (According to application form of the Planning and Investment Sector) and soft file form; 5) Copy of Investment License (if any), Enterprise Registration Certificate; Business Operating License from the relevant authorities; Certificate of annual tax payment of previous year, Environment Certificate; Contract signed with the government (In the case of concession investment projects) and Construction Permits (in case of company / factory requesting for a new construction); 6) Copy of the Annual Import Plan (of the year that apply for import additional plans) approved by the Planning and Investment Sector; 7) Copy of the Annual Business Plan of the enterprise approved by the Industry and Commerce sector (In the case of enterprises or factories engaged in production) and Import Plans that are technically approved by the relevant authorities.

	<ul style="list-style-type: none"> - For chemicals must first have a chemical registration certificate from the Department of Industry and Handicrafts, Ministry of Industry and Commerce. - For pesticides and fertilizers, a certificate of registration of pesticides and fertilizers must be obtained from the Department of Agriculture, Ministry of Agriculture and Forestry. <p style="text-align: center;">(08 Sets)</p>
Emergency Import License (Certification to import goods through IM8)	<ol style="list-style-type: none"> 1) An emergency import permit application (certification to import goods _IM8); 2) Certificate from relevant departments such as Energy and Mines, etc. 3) Copy of Investment License (If have); 4) Copy of Enterprise Registration Certificate; 5) Copy of Business Operating License from the relevant authorities; 6) Copy of the annual tax return certificate; and 7) Copy of Invoice (Quotation or Invoice). <p style="text-align: center;">(01 Set)</p>
The License to eliminate vehicle license plates	<ol style="list-style-type: none"> 1) Company's request letter to eliminate vehicle license plates; 2) Copy of the vehicle import certificate from the Planning and Investment Sector or Finance Sector; 3) Copy of the import tax license at a reduced rate and a detailed customs declaration (issued by Tax Sector); 4) Copy of vehicle registration certificate and vehicle registration tracking book in Lao PDR (Department of Transports, Ministry of Public Works, and Transport); 5) Copy of Investment License (If any); 6) Copy of Enterprise Registration Certificate; 7) Copy of Business Operating License; 8) Copy of the tax registration; and 9) A certificate from the company that the company will not apply more for a vehicle incentive if this vehicle is eliminated (for the company that eliminate vehicle plates illegally). <p style="text-align: center;">(01 Set)</p>
The license for export back	<ol style="list-style-type: none"> 1) An application request for export back; 2) Certificate from relevant departments such as Energy and Mines, etc. 3) Copy of the import incentive certificate from the Planning and Investment or Finance Sector; 4) A copy of the tax payment certificate (issued by the Tax Sector); 5) Copy of Investment License (if any); 6) Copy of Enterprise Registration Certificate; 7) Copy of Business Operating License from the relevant authorities; 8) Copy of the annual tax payment certificate; and 9) Copy of invoice (Quotation or Invoice). <p style="text-align: center;">(01 set)</p>

Renew the license for temporary import of vehicles	<ol style="list-style-type: none"> 1) An application for export back; 2) A certificate from relevant departments such as energy and mining, etc. 3) Copy of the import policy from the planning and investment or financial sector; 4) A detailed copy of the tax pay (issued by the tax department); 5) Copy (book) of temporary import license (Customs Department, Ministry of Finance); 6) Copy of Investment License (if have); 7) Copy of Enterprise Registration Certificate; 8) Copy of Business Operating License from the relevant authorities; and 9) Copy of the annual tax payment certificate; <p style="text-align: center;">(01 set)</p>
The Investment Incentive Certificate	<ol style="list-style-type: none"> 1) Company's request letter; 2) Copy of Investment License (if have), Enterprise Registration Certificate, Business Operating License, taxpayer identification certificate or certificate of tax obligation and contract signed with the government (in case of concession investment project); 3) Copy of certificate of import foreign capital (in case of the investor is foreigner); 4) Copy of Environment Certificate; 5) Copy of the economic-technical analysis or business plan approved by the relevant authorities; and 6) Other relevant documents as needed; <p style="text-align: center;">(08 sets)</p>
The Oversea Investment License	<ol style="list-style-type: none"> 1) An application for Oversea Investment; 2) A Report on the activities of the company in the past, especially the obligations, taxes, fees and other fees related to the conduct of its business in a complete and timely manner; 3) A report on future action plans and targets for overseas investment projects; 4) A Certificate of audit of the last 2 years from the financial department or an independent auditing company; and 5) Copy of Investment License (if available); 6) Copy of the Enterprise Registration Certificate; 7) Copy of the Business Operating License; and 8) Copy of annual tax payment certificate (last 2 years); <p style="text-align: center;">(04 sets)</p>

Annex 4

Fee for the Enterprise Registration Certificate

(The Presidential Ordinance on Levies and Service Fees No. 002/President, dated 17 June 2021)

1. Levies requesting enterprise registration at Industry and Commerce sector

- **Levies to be paid**

The fee for issuing Enterprise Registration Certificate shall be collected according to the size of the registered capital

No.	Enterprise registered capital	Unit	Kip
1	From 1.000.000 Kip to 10.000.000 Kip	Time	20.000
2	More than 10.000.000 kip to 20.000.000 kip	Time	50.000
3	More than 20.000.000 kip to 50.000.000 kip	Time	100.000
4	More than 50.000.000 kip to 100.000.000 kip	Time	300.000
5	More than 100.000.000 kip to 400.000.000 kip	Time	500.000
6	More than 400.000.000 kip to 1 billion kip	Time	1.000.000
7	More than 1 to 10 billion kip	Time	2.600.000
8	More than 10 to 20 billion kip	Time	4.000.000
9	More than 20 billion kip	Time	6.000.000

- **Service charge:**

No.	Descriptions	Unit	Kip
1	Printed an application form for business registration of an individual enterprise	Set	20.000
2	Printed an application form for business registration of a Sole Limited Company	Set	80.000
3	Printed an application form for business registration of an Ordinary Partnership, Limited Partnership, State-owned enterprises, Public companies, and Limited Company	Set	100.000
4	Printed an application form to change enterprise content	Set	20.000
5	Printed a temporary or permanent dissolution notice	Set	20.000
6	Printed a request to establish a branch of a foreign legal entity	Set	100.000
7	Printed a Business Registration Certificate	Time	50.000
8	For copying enterprise registration information	Time	5.000

Annex 5

Land Concession Rate in Mining Activities

(The Presidential Ordinance on Rental and Concession Rates of State-Owned Land
No. 02/President, dated 18/11/2009)

No.	Mineral types	Rate of concession (USD/Ha/Year)				Remarks
		Survey	Exploration	Economic- Technical analysis	Exploitation	
1	Precious and Semi-Precious Stones					
	• Diamond, Ruby, Sapphire, Emerald, jade	2	2	3	700	
	• Spinal, Garnet, Topaz, etc.	1	1	2	500	
	• Opal, Agate, Amethyst	1	1	2	300	
2	Precious metals: • Gold, Platinum • Silver	1	2	3	100	
3	Base Metals: • Copper • Lead, Zinc	1	2	3	60	
		1	2	3	80	
4	Tin and Tungsten • Tin and Tungsten	1	2	3	100	
5	Minor metal • Antimony, Molybdenum, Bismuth, Mercury, Aluminum	1	2	3	60	
6	Ferrous metals: • Chromium Nickel • Iron, manganese, Pyrite	1	2	3	80	
		1	2	3	70	
7	Industrial minerals • Alunite, Asbestos, Barite, Laterite, Kaolin, Limestone, marble	1	2	3	50	
8	Stones: (Construction) sandstone, andesite, granodiorite, basalt, granite	1	2	3	50	
9	Evaporate minerals: • Gypsum • Potash • Halite	1	2	5	30	
		0,5	1	3	20	
		0,5	1	3	20	
10	Energy minerals: • Coal • Anthracite	1	2	3	70	

	• Lignite	1	2	3	70	
	• Peat	0.5	1	2	30	
11	Ground water, mineral water, natural thermal water	0,5	1	3	20	
12	Oil and Gas	Based on the signed contract between Government and company				

❖ **Remarks:**

- In case there are several types of minerals in the concession zone, calculation shall be based on the main minerals approved by the Government.
- Concession rate at searching step increases from 0,5-0,6 dollar/hectare/year to 0,5-2 dollars/hectare/year or 3,3 times on average.
- Concession rate at exploration step increases from 0,5-0,7 dollar/hectares/year to 1-2 dollars/hectare/year or 2,8 time on average.
- Concession rate at economic analysis step increases from 0,8 dollar/hectare/year to 2-5 dollars/hectare/year or 6,2 times on average.
- Concession rate at Exploitation step increases from 3-12 dollars/hectare/year to 20-700 dollars/hectare/year or 8,2 times on average.

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References

- Law on Investment Promotion, (Amended) No. 14/NA, dated 17 November 2016;
- Law on Investment Promotion, (Article 12 Amended) No. 80/NA, dated 04 December 2016;
- Law on Minerals, (Amended) No. 31/NA, dated 3 November 2017;
- Law on Electricity, (Amended) No.19/NA, dated 9 May 2017;
- Law on Enterprise, (Amended) No. 46/NA, dated 26 December 2013;
- The Presidential Ordinance on Levies and Service Fees No. 002/President, dated 17 June 2021;
- The Presidential Ordinance on Rental and Concession Rates of State-Owned Land No. 02/President, dated 18/11/2009;
- Decree on Environmental Impact Assessment, (Amended) No. 21/GOV, dated 31 January 2019;
- Decree on Leasing or Concession of State Land, No. 135/PM, dated 25 May 2009;
- Decree on Special Economic Zones, No. 188/GOV, dated 7 Jun 2018;
- Decree on the Organization and Operation of the Investment Promotion and Management Committee, No. 05/PM, dated 05 January 2018;
- Agreement on the Organization and Operation of the Investment One Stop Services Office and the Coordination Units of the Central Investment One Stop Services, No. 002/C.CIPM, dated 20 August 2018;
- Agreement on The Provision for Collateral of Concession Activities No. 2735/MPI, dated 02 November 2018;
- Agreement on the registration of enterprises, No. 0023/ , dated 09 January 2019;
- Advice on investment promotion policies in terms of profit tax and rent or state land concession, No. 0760/MPI, dated 14 May 2021.

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