

LAO PDR- SCHEDULE OF SPECIFIC COMMITMENTS

(For the Second Package of Commitments)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
I. HORIZONTAL COMMITMENTS			
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>3) Commercial presence of foreign service suppliers can be in the following form:</p> <ul style="list-style-type: none"> – A joint venture with one or more domestic Lao investors, – A wholly foreign-owned enterprise¹ – A branch or representative office <p>The commercial presence of foreign service supplier shall be subject to approval of the concerned competent authority and of licensing by the Foreign Investment Management committee of the Lao PDR.</p> <p>The joint venture is established and registered under the laws and regulations of the Lao PDR. It is jointly owned and operated by one or more legal foreign investors/service suppliers and by one or more legal domestic Lao investors.</p> <p>The activities and relationship of its parties shall be governed by the contract between its parties and the</p>	<p>3) Foreign service suppliers in the Lao PDR may lease land within the Lao PDR and transfer their leasehold interest; and they may own improvements on land and other moveable property and transfer those ownership interest.</p> <p>Foreign enterprises subject to the Law on Promotion and Management of Foreign Investment in the Lao PDR shall pay an annual profit tax, calculated in accordance with the provisions of the applicable laws and regulations of the Lao PDR.</p> <p>Other Lao taxes, duties and fees shall also be payable in accordance with the applicable laws and regulations of the Lao PDR.</p> <p>4) Foreign service suppliers and their foreign personnel working within the Lao PDR</p>	

¹ 100% foreign invested Companies

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	<p>Joint Venture`s Articles of Association, in accordance with the laws and regulations of the Lao PDR.</p> <p>Foreign investors/service suppliers in a joint venture must contribute a minimum portion 30% of the total equity investment in that venture.</p> <p>The wholly foreign-owned enterprise is a foreign investment/service supplier registered under the laws and regulations of the Lao PDR. By one or more legal foreign investors without the participation of legal domestic Lao investors. The enterprise established in the Lao PDR may be either a new company or a branch or representative office of a foreign company. The incorporation and registration of a foreign investment shall be in conformity with the Enterprise/Business Law of the Lao PDR. The terms of operations of an enterprise with foreign owned capital and of a business cooperation contract shall be specified in the investment license of each project in accordance with the laws and regulations of the Lao PDR.</p>	<p>shall pay to the Lao Government personal income tax, calculated in accordance with the provisions of the applicable laws and regulations of the Lao PDR .</p>	

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	<p>The branch or representative office of a foreign company shall have articles of Association which shall be consistent with the laws and regulations and the Business Law of the Lao PDR and subject to the approval of the Foreign Investment Management Committee of the Lao PDR.</p> <p>4) Foreigners who work in Lao PDR shall be subject to the law on Promotion and Management of Foreign Investment in the Lao PDR and the regulations on immigration.</p> <p>However, foreign enterprises have the right to employ skilled and expert foreign personnel when necessary and with the approval of the competent authority of the Government of the Lao PDR.</p>		

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	<p>Facilitation for the entry into, travel within, stay within, and exit from the Lao territory of foreign investors/service suppliers, their foreign personnel, and the immediate family members of those investors, service suppliers and those personnel will be granted by the Government of the Lao PDR. All such persons are subject to and must obey the above mentioned laws and related regulations while they are on the Lao territory.</p> <p>Foreign investors/service suppliers have an obligation to upgrade the skills of their Lao employees, through such techniques as training in the Lao PDR or abroad.</p>		

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<p>AIR TRANSPORT SERVICES</p> <p>Computer reservation system (under which information on air carrier schedule, seat availability, fares is available and tickets can be issued).</p> <p>Selling and marketing of air transport services.</p>	<p>1. None</p> <p>2. None</p> <p>3. Can be in the following forms :</p> <ul style="list-style-type: none"> • A joint venture with one or more domestic Lao investors, • A wholly foreign-owned enterprise ❶ • A branch or representative office <p>a). to be approved by Government competent authority prior to licensing by Foreign Investment Management Committee</p> <p>b). Foreign equity not less than 30% (for joint venture).</p> <p>4. As indicated in the Horizontal Section</p>	<p>1. None</p> <p>2. None</p> <p>3. As indicated in the Horizontal Section</p> <p>4. As indicated in the Horizontal Section</p>	

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<p>BUSINESS SERVICES Architectural services CPC 8671</p> <p>Engineering services CPC 8672</p>	<p>1. None 2. None 3. Can be in the following forms:</p> <ul style="list-style-type: none"> • A foreign joint venture with one or more domestic Lao investors, • A wholly foreign-owned enterprise ❶ • A branch or representative office <p>a.) to be approved by Government competent authority prior to licensing by Foreign Investment Management Committee</p> <p>b.) Foreign equity not less than 30% (for joint venture).</p> <p>4. As indicated in the Horizontal Section</p>	<p>1. Unbound 2. None 3. As indicated in the Horizontal Section</p> <p>4. As indicated in the Horizontal Section.</p>	

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<p>CONSTRUCTION SECTOR</p> <p>Construction and related engineering services; to cover:</p> <p>construction work for buildings [CPC 512]</p> <p>construction work for civil engineering [CPC 513]</p>	<p>1. Unbound, due to lack of technical feasibility</p> <p>2. None.</p> <p>3. Can be in the following forms:</p> <ul style="list-style-type: none"> • A foreign joint venture with one or more domestic Lao investors, • A wholly foreign-owned enterprise ① • A branch or representative office <p>a.) to be approved by Government competent authority prior to licensing by Foreign Investment Management Committee</p> <p>b.) Foreign equity not less than 30% (for joint venture).</p> <p>4. Unbound, except as indicated in the Horizontal Section</p>	<p>1. Unbound due to lack of technical feasibility</p> <p>2. None.</p> <p>3. Unbound.</p> <p>4. Unbound.</p>	

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<p>FINANCIAL SERVICES</p> <p>Banking and other financial services, to cover:</p> <p>- CPC 81321: Securities broking services</p> <p>- CPC 81339: All payments and money transmission services</p>	<p>1. Unbound due to lack of technical feasibility</p> <p>2. None</p> <p>3. Can be in the following forms:</p> <ul style="list-style-type: none"> • A foreign joint venture with one or more domestic Lao investors, • A wholly foreign-owned enterprise ❶ • A branch or representative office <p>a.) to be approved by Government competent authority prior to licensing by Foreign Investment Management Committee</p> <p>b.) Foreign equity not less than 30% (for joint venture).</p> <p>4. As indicated in the Horizontal Section</p>	<p>1. Unbound due to lack of technical feasibility</p> <p>2. None</p> <p>3. As indicated in the Horizontal Section.</p> <p>4. As indicated in the Horizontal Section</p>	

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Conditions for establishing banks in the Lao PDR.

Commercial banks, Companies or Groups of individuals who would like to establish a commercial bank and commercial bank branch in the Lao PDR should submit the following documents.

1. Application form for establishing bank commercial or bank branch which includes:
 - + Company's background in brief.
 - + Reason for willing to establish or open a commercial branch in the Lao PDR.
 - + Economic financial and monetary purpose or goal in establishing or opening a commercial bank.
2. Letter of authorization or letter of approval which includes detailed conditions from the concerned authorities (Ministry of Finance, Central Bank, Ministry of Commerce or others).
3. Copy of the letter of registration along with the bank's charter and internal regulations from the country in which the bank is located.
4. Bank's or company's rules or regulations (Memorandum of Association and Articles of Association) and confirmation from the state or other organization with authority in the country of origin.
5. Copy of official documents showing the bank's financial situation for the last three years. (Annual Report and Balance sheet).
6. Letter pledging to abide by all of the conditions and regulations pertaining to the establishment of a commercial bank and branch bank in the Lao PDR.
7. Plan for establishing a commercial bank or branch bank in the Lao PDR which covers such issues as:
 - + Registration of capital (the bank of the Lao PDR requires a minimum of 10 million Us. dollars).
 - + Plan to make payment of registered capital within 90 days from the date of receipt of authorization from the bank of the Lao PDR, and open the commercial bank or branch bank within 6 months from the date of authorization.
 - + The primary focus of the commercial & branch bank must be stated: (i, e Agriculture Industries, Merchant, Commercial, Services or Handi- craft.)
 - + Programs for promoting foreign investment in the Lao PDR (e.g. projects which desire to invest, are in the process of investing or are already investing in the Lao PDR, and provide details).
 - + Economic, financial and monetary strategy for operating in the Lao PDR.
8. Project plan to establish the bank in the Lao PDR both short- term and long term, including the following:
 - + Plan for construction or office rental.
 - + Plan to use electronic banking or other sophisticated technology in your bank operations
 - + Plan for personnel including: Number of Laotian and foreign employees and level of education and experience; training plan; minimum and maximum salaries.
9. Application for investment in the Lao PDR of the FIMC (Foreign Investment management Committee).
10. Measures to regulate and control branch in overseas countries.
11. Organizational structure of commercial or branch bank (in country of origin).
12. The application must be submitted in duplicate and both copies must include both Lao and English languages.

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<p>MARITIME TRANSPORT SERVICES</p> <p>Freight Transportation for Maritime Transport, CPC 7212, to cover:</p> <ul style="list-style-type: none"> • Transportation of frozen or refrigerated goods, • Transportation of bulk liquids or gases, • Transportation of containerised freight, • Transportation of other Freight 	<ol style="list-style-type: none"> 1. None 2. None, 3. As indicated in the Horizontal Section 4. As indicated in the Horizontal Section 	<ol style="list-style-type: none"> 1. Unbound due to lack of technical feasibility 2. None 3. As indicated in the Horizontal Section 4. As indicated in the Horizontal Section 	

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<p>Storage and warehousing services, CPC 742, to cover:</p> <ul style="list-style-type: none"> • Storage services of frozen or refrigerated goods, • Bulk storage services of liquids or gases, • Other storage or warehousing services of other goods, including cotton, grain, wool, tobacco, other farm products, and other household goods. 	<ol style="list-style-type: none"> 1. Unbound, due to lack of technical feasibility. 2. None 3. As indicated in the Horizontal Section 4. As indicated in the Horizontal Section 	<ol style="list-style-type: none"> 1. Unbound due to lack of technical feasibility. 2. None 3. As indicated in the Horizontal Section 4. As indicated in the Horizontal Section 	

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<p>TOURISM SERVICES</p> <p>Hotel lodging services, CPC 64110</p>	<p>1. None.</p> <p>2. None</p> <p>3. Can be in the following forms:</p> <p>a.) a foreign joint venture with one or more domestic Lao investors;</p> <p>b.) a foreign partner in a joint venture must contribute at least thirty percent (30%) of the total equity investment; ❶</p> <p>c.) a wholly foreign-owned enterprise;</p> <p>d.) Foreign investment should be in conformity with the law and regulations on the foreign investment of Lao PDR.</p> <p>e.) standard required for a hotel to be developed is 2 or more stars standard</p> <p>4. Unbound, except for the following persons and subject to the approval of the competent authority of the Government of Lao PDR: general manager, food and beverage manager, sales and marketing manager, operations manager, congress manager and tourism consultant.</p>	<p>1. None</p> <p>2. None</p> <p>3. Unbound</p> <p>4. Unbound</p>	

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