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LAO PEOPLE’S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Ministry of Industry and Commerce

No. 0995/MOIC
Vientiane Capital, dated 19 June 2008

Instruction
of the Minister of Industry and Commerce
regarding the Declaration for Enterprise Registration in accordance with the Enterprise Law

To: - The Provincial, Capital City’s Industry and Commerce Divisions;
 - District’s Industry and Commerce Offices;
 - Business entities and those who desire to establish the enterprise in the Lao PDR.

Subject: Implementation of Declaration for Enterprise Registration in accordance with the Enterprise Law through “One Stop Service” System.

- Pursuant to Enterprise Law No. 11/NA, dated 9 November 2005;
- In reference to Decree No. 188/PM, dated 17 August 2006 regarding the Organization and Activities of the Ministry of Industry and Commerce.

In order to implement the Enterprise Law and other legal acts which are related to the declaration for enterprise registration aiming to make the implementation on the service of declaration for enterprise registration into “one stop service” system, to be convenient, prompt, transparent, understandable to the establishment of an enterprise and the amendment of the enterprise registration for the enterprise entities which are registered under the Business Law to completely operate their business and for making the adherence to laws and regulations on the promotion, monitoring, development and encouragement to stimulate all enterprise entities to be expanded, all enterprise entities to the continuity of national economic development.

The Minister of Industry and Commerce issues this Instruction:

I. Implementation on Declaration for Enterprise Registration through “One Stop Service” System

In order to translate the contents and the spirit of Order No. 37/PM, dated 24 October 2006 regarding the Adherence to the Enterprise Law and Decision No. 86/PM, dated 3 August 2007 regarding the Implementation of the Mechanism of “One Stop Service” in the State’s administrative organizations.

The establishment of the mechanism on the service of declaration for enterprise registration through one stop service, in the beginning the industry and commerce sector has established the Enterprise Registry Office “ERO” in the entire country, formulate printed forms relative to each type, category of enterprise, prescribe the procedures, timeframe and fix fees on the declaration

for enterprise registration, aiming to make the implementation of the enterprise registration to be in compliance with the Enterprise Law in conformity throughout the country, create national data base system regarding the enterprise registration and able to connect with all relevant sectors.

1.1 Organizational Mechanism to Manage the Declaration for Enterprise Registration through One Stop Service

The industry and commerce sector has divided the level of the management on the declaration for enterprise registration through “one stop service” that have the vertical organization from the central to the locality which consist of:

- Central Level: the Enterprise Registry Office “ERO” of the Vientiane capital, located at the Ministry of Industry and Commerce (Domestic Trade Department) that included the enterprise registry office of the level of Industry and Commerce Department of the Vientiane Capital.
- Local Level: the Enterprise Registry Office of the provincial level, located at provincial industry and commerce departments throughout the country.

For the district or municipality’s industry and commerce office shall coordinate with “ERO” and that will directly have officials of “ERO” posted permanently according to the actual conditions.

1.2 Establishment of an Enterprise

Any person wishing to establish an enterprise; before submitting the application for enterprise registration to “ERO” of each level shall prepare the basic conditions as follows:

- A. The 100% of State’s investment or State mixed with other parties shall be perform in accordance with Part VI and Part VII of the Enterprise Law, regarding the other procedures in the establishment, the promotion and the monitoring it shall be adhered in compliance with the regulations which are prescribed by the finance sector.
- B. Any foreign investment or joint venture with other parties shall pass through the planning and investment sector in order to apply the investment license; if once it obtained the investment license then the industry and commerce sector will register the enterprise in accordance with the regulations.
- C. Domestic private investor wishing to establish an enterprise as individual or legal entity which is a sole trader enterprise, partnership enterprise or company he/she shall complete the application to apply for enterprise registration in compliance with the Enterprise Law.

For the establishment of the collective enterprise, dealer, distributor or each year trading, dealing according to the season (occasionally) including small business service or regular processing production or small size of family’s handicraft are not under the scope of the application of the Enterprise Law and it will have a separate regulation which will be promulgated.

If there is a business operation it shall pay obligations in accordance with regulations of the finance sector.

1.3 Uniform Printed Form in the Declaration for Enterprise Registration

In order to complete the documents on the declaration for enterprise registration to be convenient, simple, understandable we determine the uniform documents in the entire country such as: application form for the reservation of the name of an enterprise, application on

declaration for enterprise registration, agreement on the incorporation of the enterprise or a company and Articles of Association of the enterprise or the company depending on each form and category of the establishment of the enterprise (for details it is defined in Notification No. 1989/MOIC, dated 2 November 2007).

If once the documents have been correctly completed, the official of the Enterprise Registry Office will accept the documents on declaration for enterprise registration from such date onward.

A. The Contact to get the Forms

Individuals or legal entities wishing to declare for enterprise registration are to contact to get forms with the Enterprise Registry Office “ERO” within the country with the following methods:

- A set of draft forms in paper with the red stamp of “ERO” affixed to each sheet. - A set of forms registered in CD.
- Access to website of the Ministry of Industry and Commerce: www.moic.gov.la to load the draft of the forms.
- or communicate with “ERO” by e-mail to: ero@moic.gov.la ; Telephone No.: 021 412011.

All of the forms may purchase and submit to every level of “ERO”, if any form has not the red stamp and the receipt of any level of “ERO”, it is assigned to “ERO” to collect the form fees and then affix the red stamp at the time of receiving the declaration for enterprise registration or if the enterprise has been registered it is recommended to recollect the cost of the forms of remained unpaid portion.

B. The Filling in the Contents into the Drafted Form

The filling in the contents into the forms should be in the Lao language, that can be made in 3 methods such as: the writing by hand, typing by typewriter or computer (Front: Saysettha Lao; Size: 12; using the paper: A4).

C. The Price of a Set of Forms

All sets of forms have been fixed the price as determined below:

+ For sole-trader enterprise, the total cost is 40.000 kips/set within this:

1. the application on declaration for enterprise registration including the application for reservation of name: 10.000 kips.
2. the enterprise registration certificate’s typing cost: 30.000 kips (collected at the time the delivery of the enterprise registration certificate).

+ **For the Partnership Enterprise and Company, the Total Cost is 90.000 Kips/set within this:**

- | | |
|--|-------------|
| 1. The application form for reservation of name | 10.000 kips |
| 2. Agreement on the incorporation | 10.000 kips |
| 3. Application form of declaration for enterprise registration | 10.000 kips |
| 4. Articles of Association | 30.000 kips |
| 5. The enterprise registration certificate’s typing cost | 30.000 kips |

1.4. The Reservation of the Name

Individuals or legal entities wishing to establish an enterprise shall apply for reservation of the name and must receive the approbation of name's certificate prior to declaring for enterprise registration (according to Regulation on Reservation and Approval of the Name of Enterprise No. 0924/MOIC, dated 4 June 2008).

Procedure on the application to obtain the reservation of name and the approbation of name shall be performed as follows:

1. "ERO" of provincial level when receiving the application to reserve the name of enterprise, if the documents are complete it shall certify and stamp on the application form then send to "ERO" of the city's level within 1 working day including the sending by fax, internet or other methods.
2. "ERO" of the Vientiane capital level when receiving the application shall perform as follows:
 - control the name, fix the code and issue the name reservation approval certificate or response on the rejection of the reservation of the name and send to the "ERO" of the provincial level within 02 official working days.
 - issue the approval certificate of the name or the rejection or the rejection notification regarding the reservation of the name of the enterprise directly to individuals or legal entities who come to apply within 2 official working days.
3. "ERO" of provincial level if receiving the approval or the rejection on the reservation of the name of the enterprise shall officially issue the approval certificate or notify the rejection to the applicant within 1 official working day.

1.5 Declaration for Enterprise Registration

A. Acceptance of Documents and Determination of Contents into the Enterprise Registration Certificate

+ Acceptance of the Declaration for Enterprise Registration

1. The person who wishes to declare for enterprise registration shall fully complete the documents as provided for in Notification No. 1989/MOIC, dated 2 November 2007 then submit to every enterprise registry office "ERO" in the entire country without passing through "ERO" of the provincial level in case such is under the management level of "ERO" of the central level or without passing through district's industry and commerce offices in case such is under the management level of "ERO" of the local level as well.

The completion of documents shall be made correctly as provided in the point 1.3 above.

For the determination on the type of business operations in the application form, the agreement, Articles of Association shall be consistent with the code number of the contents, the classification of international standard of industrial code, if any type of business operations has no the international standard industrial code, but is similar of some (ISIC) it is to referred to code number of such (ISIC) as the basis, but it should specify the additional contents of the business operations and "ERO" shall suggest again

to the operator in the determination on the type of business according to such code number of (ISIC).

2. The official of the Enterprise Registry Office of “ERO” accepts the documents for the enterprise registration and control the type of business activities operations as follows:
 - if the business operations are not under the controlled list; it must register the enterprise according to the regulations, without going to control on site and evaluate the contribution of registered capital. For activities which are under the management of the “ERO” of the Vientiane capital it shall have a transmittal letter from the “ERO” of the provincial level where the enterprise is located.
 - If the business operations are under the controlled list (list A) according to Decree No 68/PM, dated 26 August 2008 it shall make a transmittal letter to immediately request the opinion from the relevant sector.

+ The Determination of the Contents on the Enterprise Registration Certificate

1. The declaration for enterprise registration of individuals or legal entities having the rights to apply the business operation license of various sectors, if it has a branch or goods distribution's shop of the enterprise, it shall specify the location of the branch and the distribution's shop into the enterprise registration certificate.
2. Activities that obtained to conduct business have to specify the code numbers of the classification of the international standard industrial code (ISIC), one activity or several activities are possible to put into the same enterprise registration certificate and all activities that are licensed to operate business shall be specified on the reverse side of the enterprise registration license.

B. Duration for the Enterprise Registration:

The Enterprise Registry Office shall perform as follows:

1. Make enterprise registration to the State's investment, domestic private enterprise of the type of business operations which are not under the controlled list at the latest not exceeding 10 official working days;
2. Make enterprise registration to foreign investor at the latest not exceeding 2 official working days;
3. Make enterprise registration for the type of business operations which are in the controlled list (list A) after obtaining the response of approval at the latest not exceeding 3 official working days;
4. Every documents concerning the declaration for enterprise registration which are under the list of the type of controlled business and under the management of “ERO” of the Vientiane capital level, “ERO” of provincial level shall make a transmittal letter at the latest not exceeding 3 official working days;
5. A written response is provided specifying in writing regarding the reason not to register the enterprise at the latest not exceeding 10 official working days (for the general case) and 3 official working days in case that the relevant sector has the response not to approve (type of business which are under the type of controlled business);
6. “ERO” of provincial level dispatches the document on the declaration for enterprise

registration to the district's industry and commerce office within the period at latest not exceeding 3 official working days;

7. The coordinator of the "ERO" who is on duty at the district's industry and commerce office level will transmit documents to the "ERO" of the provincial level within the period at the latest not exceeding 3 official working days;

C. Delivery of the Enterprise Registry Certificate

After the achievement of the enterprise registration "ERO" will give, instruct on the usage of the enterprise registration certificate and the transmittal letter of documents to the person who declares to register the enterprise to contact with the relevant sector in order to apply other licenses accord to regulations such as:

1. Send to the department or tax office of the capital city level or provincial level (finance sector) in order to issue the enterprise registration certificate and the code number of the enterprise registration be fixed with the a number of the tax payer, fixed on every sheet of domestic tax registration certificate in order to become a uniform code number, create to be a national database regarding the enterprise registration and able to connect with other sectors.
2. Send to the relevant sector in order to manage in compliance with the conditions as follows:

+ Business Operations which are not subject to the Negative List

- Can operate business according to the type of business as provided for in the enterprise registration certificate (not necessary to apply the business operation authorization).
- Use the enterprise registration certificate in order to operate the business operations, from that it is to perform in accordance with the regulations as provided for by the relevant sector.

The business operations shall be in compliance with laws and regulations and policies regarding the promotion, management, monitoring, inspection and shall be adhered to regulations of the sectors.

+ Business Operations which are subject to the Negative List (List A)

After receiving the enterprise registration certificate shall request the business operation authorization from the relevant sector according to regulations.

3. Suggestion regarding the Use of the Enterprise Registration Certificate

After the operator of the business had received the authorization to register the business "ERO" of every level shall issue an instruction, the duration to finish to erect the sign board within 20 days, and report the outcome of the use of the enterprise registration certificate within 90 days and the report of the result of the operations or non operations within 12 months with "ERO" at the place where the enterprise was registered in order to monitor, summarize and create into a system of monitoring on the business activities operations of all enterprises entities.

D. Recording, Collection, Compilation of Statistics

In order to implement the management on enterprise registration, systematically compilation

of statistics in accordance with regulations aiming to promote, inspect and monitor all enterprises entities to the continuity of the system it should be perform as follows:

- Establish a book to follow up entry-exit documents particularly for “ERO”.
- Establish a book to record the continuous serial number of the enterprise registration and classify the order of enterprise entities in the same book.
- Collect, summarize, monthly or annually report statistics (according to international calendar) in order to report to “ERO” of Vientiane capital which is located in the Ministry of Industry and Commerce for compiling to be a national database by using an uniform printed form and sending regularly the report.

For the provincial “ERO” that is ready to use the computer, is to keep the data again in the computer’s system or any province that has the computer that can accept the installation, using the software in advance from that shall create conditions of readiness to use the connected system with the central level.

E. Maintenance of Copies of Enterprise Registration Documents

The Enterprise Registry Office shall establish the system of maintenance, systematically manage the documents of every business entity, classify in order, stock in each sector or put in alphabetical order, having special room or particular filing cabinet to manage, keep the back ground of enterprise entities until the term termination of the business operations of the enterprises provided or in accordance with regulations, aiming to the readiness in providing data of enterprise entities to the public.

1.6. Division of Management Level on the Enterprise Registration

Apart from the duty and the scope of rights as provided in Decision No. 0225/MOIC, dated 14 February 2005, the Enterprise Registry Office “ERO” of each level has also duties as follows:

A. The Central Level

“ERO” located in Ministry of Industry and Commerce including the “ERO” of Vientiane capital’s industry and commerce division level has the duty to register and amend the Articles of Association of the enterprise to:

1. The establishment of State company and partnership company that are approved by the central (ministry, ministry equivalent and capital level).
2. The establishment of enterprise of domestic private investment to operate business in the following types of business:
 - types of business that are not under the negative list and having their head offices inside the area of Vientiane capital, if there is a location office in other province, it is the “ERO” of provincial level to send documents to “ERO” of the Vientiane capital in order to continue to request opinion from the relevant sector, if it is approved then register the enterprise, if there is a rejection it is recommended to officially notice in response.
3. The incorporation of foreign investment enterprise and foreign partnership enterprise with domestic that has an investment license of the sector and the investment at ministry and division in Vientiane capital.
4. The establishment of an enterprise invested by the State, domestic private, foreign and foreign partnership with domestic that is located in other provinces, but having business activities operations on the following types:

- chemical processing plant, chemical products and production of medicine for treatment of diseases, vehicles manufacturing or assembling and all types of electrical appliances.
 - the importation: fuel, gas, cigarettes, liquor and beverage that contains alcoholic substance, all kinds of vehicles (except vehicles using in the field of agricultural production).
 - the exportation: wooden goods, all kinds of wood products.
 - Exploration, exploitation and processing of all kinds of mineral.
 - and business operations of which relevant sector at the central level (ministry or ministry-equivalent) have had authorized to operate business.
5. The investment of the State, domestic private, foreign and foreign partnership with domestic that are existed in other provinces and are under the management for enterprise registration of “ERO” of the provincial level, but having the objective to declare for enterprise registration in “ERO” of the capital.
 6. Issue the authorization for the reservation of name, the certificate to adopt the name and the rejection notice in response to the reservation of the name of the enterprise.
 7. Prepare to print draft forms of the registration certificates, print and distribute the forms, collect, manage and use the money gaining from the declaration for enterprise registration forms as provided in Notification No. 1989/MOIC, dated 2 November 2007 and collect, manage and the obtained money that having imposed to business entities according to point (III).
 8. The national database of business entities concerning the capital’s industry and commerce division besides the role, rights and duties as provided for it has also the duty to manage, promote, monitor and encourage in the implementation of the Enterprise Law, and regulations regarding the incorporation and activities of the enterprise.

B. At Provincial Level

The Enterprise Registry Office “ERO” of the provincial level throughout the country has the duty to register and amend the enterprise registration to:

1. The establishment of enterprise invested by the State and State partnership enterprise of which the locality has approved.
2. The incorporation of enterprise invested by domestic and foreigners that the business activities operations are not under the management of “ERO” of Vientiane capital level (point a of clause 1.6).
3. Register and amend the enterprise registration of sole trader who has the business activities operations as retailed sale, production, processing, services and other activities that are under the management of the sector related to the business operation at the district level.
4. Promote, manage, monitor the business operation of all business entities that “ERO” of capital level had issued the enterprise registration certificate, issue the certification of the branches and business entities that have the business operations within the province.
5. Issue the certification of adoption on the name and notification of rejection concerning the reservation of name after receiving the notice of the response from “ERO” of Vientiane capital level.
6. Proceed to print the forms for enterprise registration, distribute, keep and use the money gaining from the sale of forms as provided for in Notification No. 1989/MOIC dated 2

November 2007.

7. Maintain and compile the statistics regarding the enterprise registration and send to “ERO” of the capital in order to put in the national database of business activities.

C. District’s Industry and Commerce Office

In addition to the responsibilities on their role, rights and duties all industry and commerce offices of the district level taking responsibilities have also the duties to manage, promote, monitor and encourage the implementation of the Enterprise Law and regulations with regard to the incorporation and activities of the enterprise as follows:

1. Provide a services in receiving and sending documents of declaration for enterprise registration to “ERO” of Vientiane capital or province of which the enterprise is located.
2. Instruct on the use of printed forms of declaration for enterprise registration to the declaration to register the enterprise.
3. Monitor the business operations of all business entities that are located under the scope of responsibilities of the district such as: the use of enterprise registration certificate, the erection of sign board, the use of the name, business operations, location and environmental situation regarding the business.

In case that has seen that the business activities operations are not in conformity to the provided regulation it shall instruct, admonish including to report to “ERO” of the provincial level or the level that had issued the enterprise registration for implementation in accordance with the provided regulations.

4. Proceed to print, collect and use money gaining from the sale of forms of declaration for the enterprise registration.

II. Amendment of Enterprise Registration of all Business Activities that have been registered in accordance with the Enterprise Law is to perform as follows:

All business entities that are registered their enterprises under the Business Law are to come to amend, modify their enterprise registration certificate to be consistent to the Enterprise Law such as: re-improve the structure of the business to be proper to the type, form, kind of the enterprise or company as provided for in the Enterprise Law and contact to take forms, complete the form on declaration of enterprise registration as provided for in clause 1.3 and 1.4 above.

The implementation is to divide in 2 stages as follows:

+ The 1st Stage:

Open to accept the declaration for enterprise registration of business entities of which the ministry level and the provincial industry and commerce division level have had previously issued the enterprise registration certificates.

+ The 2nd Stage:

Open to accept the declaration for enterprise registration amendment of business entities of which the industry and commerce office of the district level have previously issued the enterprise registration certificate.

The implementation is to involve in district by district, if any district is achieved, it is to

respectively continue in another district. Commencing the district that still waiting to accept the service on the declaration for enterprise registration is to continue to use the existed enterprise registration certificate until there is an amendment and inform to the relevant sector for acknowledgement.

III. Policies to Productive Persons and Measures towards Violators

Organization related to the implementation and operation not in conformity to laws and regulations are to perform as follows:

1. Individuals or organizations that have an outstanding deeds is to comply according to Article 232 or violate laws and regulations is to perform as provided for in Articles: 230, 233, 234, 235, 238 and 243 of the Enterprise Law and other regulations concerned.
2. If individuals, legal entities, business entities have operated not in conformity to laws and regulations are to comply according to Articles: 236, 237, 238, 240 and 243 of the Enterprise Law.
3. If any business entity does not operate business activities, does not come to report on the result of its business activities operations or does operate but not pay custom tax obligations for a continuous period of 12 months is to comply according to Article 17 of the Enterprise Law.
4. In case that the violation is a criminal offense, the violator will be punished in compliance with the Penal Law and regulations concerned.

IV. Promotion for the Development of Enterprise Entities

In order to make the implementation, the promotion, the monitoring and the encouragement to all enterprises entities that are all registered their enterprise to have development and operate in compliance with law and regulations, it is to pay attention to the following conditions.

- the use of the enterprise registration certificate.
- the erection of the sign board, the naming of the enterprise.
- the adherence to all regulations of the business operations that are under the management of other relevant sector in order to coordinate, encourage, promote to business entities to completely operate their activities.

V. Approval to Sign the Enterprise Registration Certificate

The person who is competent to sign the enterprise registration certificate and use the particular seal of “ERO” is comprised of:

1. At the Central level: is the member of directorate general of the Domestic Trade Department, the person who directs the Enterprise Registry Office is the 1st rank to sign, the next is the head of the Enterprise Registry Office the 2nd rank to sign. If the competent 1st rank and the 2nd rank are absent is the next person according to the seniority the rank of the registrar of enterprise registration office; has the right to automatically sign, and every person must be responsible together towards the signature and shall report according to regulations.
2. At the Local Level: is the member of Industry and Commerce Division, the person who directs the enterprise registration work to sign the 1st, the head of domestic trade sector to sign the 2nd, the head of enterprise registration office to sign the 3rd. If the person who is competent to sign at the 1st, 2nd and 3rd are absent is the next according to the seniority of rank of the enterprise registration office to automatically sign and every person must

be responsible together towards the signature and shall report according to regulations.

VI. Implementation

- It is assigned to the Domestic Trade Department (Enterprise Registry Office), all provincial industry and commerce divisions, the industry and commerce office of the district level throughout the country to jointly implement with a high efficiency.
- All relevant sectors shall acknowledge and give cooperation in the implementation.
- All individuals, legal entities, organizations and business entities that are the investment of the State, domestic private, foreign investment and partnership between foreign and domestic shall strictly perform in accordance with this Instruction, laws and regulations concerned.
- All legal acts related to the enterprise registration as provided in Business Law No. 03/94/NA, dated 18 July 1994 are hereby repealed.

F. The Minister of Industry and Commerce
[seal and signature]

Siaosavad SAVENGSAKSA