

Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

Ministry of Industry and Commerce

No: 1619/MOIC.ERM

Vientiane Capital, 28 August 2013

**Guideline for**

**Establishment of Foreign Enterprise Branch (Legal Entity) in Lao PDR**

- According to Article 35 of Enterprise Law, No: 11/NA, 9 November 2005

To ensure enterprises establishment (legal entities) in Lao PDR is consistent to the provision of Enterprise Law and the goal of those businesses allowed to establish branches (for foreign enterprises), to ensure rights and interests protection, obligation performance and responsibilities of the branches, specially, parent enterprises.

Ministry of Industry and Commerce issued the guideline for more detail to be fundamental information on enterprise's branches establishment (legal entities) implementation as following:

- A. General principles of enterprise's branches establishment (legal entities)
  - 1. Enterprise's branch (legal entities) is a part of businesses structure which establishes the branches (next is initial called: parent enterprises), no status of legal entity which divided from the enterprise that establishes the branches.
  - 2. Parent enterprises must responsible to branches' all actions like your own actions. This means all actions of legal entities' branches both in local and foreign countries is considered the actions of the parent enterprises, apart from the law mentions something else.
  - 3. Branch's all works will be assigned by parent enterprise and the assignment have to be the document and have to be under the enterprise's rights and duties scope.
- B. Local enterprises' branches establishment
  - 1. Enterprises' branches establishment must conduct as follow:
    - Being enterprise (legal entity)
    - Mentioned in regulation of enterprises (legal entity)
  - 2. Enterprises which are registered in Lao PDR is not necessary to register for the branches establishment, but the enterprises must inform the establishment to enterprise registration certificate officials of the branches location for management and following. Informing must contain as following:
    - Enterprise registration certificate and the regulation of parent enterprise
    - Letter of attorney and responsibilities of parent companies
    - The detailed document of resume of the branches' employees, in the case of hiring foreigners, it must be considered according to the registration.
    - 1 Photo 3x4 Of the head of the branches (not more than 3 months)

3. New branch establishment beside written in the enterprise registration certificate or dissolution must be proposed to edit insides of new enterprise registration certificate according to the procession written in the law.
  4. Enterprise registration certificate officials which issued the certificate to the enterprises have the rights to issue the permission license for seal to the (branch) enterprises.
  5. To issue the permission license for seal, the enterprises which establish the branches must bring the certificate from provincial Departments of Industry and Commerce or Cabinet Office of Industry and commerce of districts ( if was assigned) where the branches are located to inform the enterprise registration certificate to certify for the seal permission license issuing.
  6. The owners of private enterprises can expand their businesses by establishing new private enterprises such as: Chao Kao 1, Chao Kao 2. Private enterprises can't establish their branches.
- C. Foreigner Enterprises' branches establishment.
1. Foreigner enterprises (legal entities) which have run the businesses in the sectors for those:  
1) Banks or finance Institutes; 2) Insurances; 3) International consultations and airlines can apply to register the enterprises which establish the branches in Laos. Establishing the branches for other sectors will be announced in special regulation ( if it's necessary to)
  2. After registering, foreign enterprises' branches (legal entities) must ask for ID of taxation, perform the obligations, regulation and other relevant legislation strictly like other enterprises.
  3. To apply for registration application of foreign enterprises' branches establishment must include as following:
    - Enterprise registration application form for branches establishment of foreign enterprises. (as attached form)
    - Copy of enterprise registration certificate-Lao version
    - Copy of regulation of parent enterprises-Lao version
    - Letter of attorney and responsibilities of parent enterprises for the branches-Lao version
    - 3 photos 3x4 of the head of branches (not more than 3 months)
    - Other documents according the relevant sectors needed.
- D. The Guideline implementation
1. To conduct the guideline effectively, Department of registration and enterprise management must coordinate with relevant sectors closely with guiding provincial Departments of Industry and Commerce and cabinet office of Industry and commerce of districts for implementation together correctly. During implementation face the problems, report to higher offices for guiding regularly.
  2. The guideline is replacing the guideline No: 0386/MOIC....., 21 February 2012 and Notification No: 2008/MOIC....., 19 September 2012, ref: more guiding notification (No:0458/MOIC.....) and the guideline (No: 368/MOIC.....)

[Seal and signature]

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Attachment:

- Enterprise registration application form of branches establishment of foreign enterprises (legal entities)