

**LAO PDR**

**Schedule of Specific Commitments**

**(For the First Package of Commitments)**

## LAO PDR - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply    2) Consumption abroad    3) Commercial presence    4) Presence of natural persons		
	Limitation on Market Access	Limitation on National Treatment
<b><u>I. HORIZONTAL COMMITMENTS</u></b>		
<p><b>All sectors included in this schedule</b></p>	<p>1) Borrowing from abroad by banks and enterprises shall be approved by the Bank of the Lao PDR.</p> <p>2) A resident of Lao PDR who intends to invest directly or indirectly in a foreign country shall be approved by the concerned authorized organizations. The transfer of fund to be invested abroad shall be approved by the Bank of the Lao PDR.</p> <p>Bringing out of the Lao PDR the foreign currency more than 2,000 US\$ shall be approved by the Bank of the Lao PDR.</p> <p>3) Commercial presence of foreign service suppliers can be in the following form:</p> <ul style="list-style-type: none"> <li>- A joint venture with one or more domestic Lao investors,</li> <li>- A wholly foreign-owned enterprise<sup>1</sup></li> <li>- A branch or representative office</li> </ul> <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</p>	<p>1) As indicated in the market access column.</p> <p>2) As indicated in the market access column.</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</p>

<sup>1</sup> 100% foreign invested Companies

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	<p>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 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>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</p>	<p>regulations of the Lao PDR.</p> <p>4) Foreign service suppliers and their foreign personnel working within the Lao PDR shall pay to the Lao Government personal income tax, at a flat</p>

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	<p>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> <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>	rate of ten percent (10%) of their income earned in the Lao PDR.
<b>II. Specific Commitments</b>		
<b>B. Banking and other financial services</b> <b>c. Financial leasing (CPC 8112)</b>	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal commitments	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal commitments
<b>d. All payment and money transmission services (CPC 81339**)</b>	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal commitments	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal commitments
<b>f. trading for own account or for account of customers, whether on an exchange, in an over-the-</b>	1) None 2) None 3) None, except for sub sectors such as derivative products	1) None 2) None 3) None, except for sub sectors such as derivative

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<p>counter market or otherwise, the following:</p> <ul style="list-style-type: none"> <li>- money market instruments (cheques, bills, certificate of deposits, etc.) (CPC 81339**)</li> <li>- foreign exchange (CPC 81333)</li> <li>- derivative products incl., but not limited to, futures and options (CPC 81339**)</li> <li>- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc. (CPC 81339**)</li> <li>- transferable securities (CPC 81321*)</li> <li>- other negotiable instruments and financial assets. Incl. bullion (CPC 81339**)</li> </ul>	<p>incl., but not limited to, futures and options (CPC 81339**), transferable securities (CPC 81321*), until related Laws and regulations have been developed.</p> <p>4) Unbound, except as indicated in the horizontal commitments</p>	<p>products incl., but not limited to, futures and options (CPC 81339**), transferable securities (CPC 81321*), until related Laws and regulations have been developed.</p> <p>4) Unbound, except as indicated in the horizontal commitments</p>
<p><b>A. Insurance (life and non-life insurance services) including reinsurance and retrocession, (Excluding pension fund, broking and agency service)</b></p>	<p>1) Unbound</p> <p>2) None, however, insurance contracts on individuals living and residing, on risks or goods/assets located and registered in Lao PDR shall be established only with authorized insurance companies in Lao PDR in accordance with Insurance Law of Lao PDR No.11/90.NA, dated 29 November 1990</p> <p>3) None, The authorized insurance companies in Lao PDR must have a legal entity operating in insurance business under a company forms: state enterprise, joint-venture company or private company (public company or limited company) and branches of foreign insurance companies in accordance with</p>	<p>1) Unbound</p> <p>2) None, except specified in the Limitation on Market Access</p> <p>3) None, except specified in the Limitation on Market Access</p>

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	<p>Insurance Law of Lao PDR No. 11/90.NA, dated 29 November 1990 and Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR..</p> <p>State enterprise, joint-venture company or private company (public company or limited company) and branches of foreign insurance companies are required to acquire business and investment licenses from relevant authorities of Lao PDR(Ministry of Finance, Committee of Planning and Investment, Bank of Lao PDR) in accordance with relevant applicable law and regulations of Lao PDR.</p> <p>During the operation, the authorized insurance companies must comply with the relevant laws and regulations of Lao PDR.</p> <p>The authorized insurance companies must have a minimum registered capital and a guarantee in accordance with Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR. The guarantee must be deposited with the banks resided in Lao PDR in accordance with Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR.</p> <p>Other than provided above, other requirements shall be applied in accordance with relevant laws and regulation of the Lao PDR.</p> <p>4) Unbound, except the following:</p> <p>(a) Only senior managers, experts are allowed. The entry and movement of the mentioned natural persons in Lao PDR shall</p>	<p>4) Unbound, except Specified in the Limitation on Market Access.</p> <p>Foreign service suppliers and their foreign</p>

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	be approved by relevant authorities of Lao PDR.	personnel working within the Lao PDR shall pay to the Lao Government the personal income tax, calculated in accordance with the provisions of the applicable Laws and regulations of the Lao PDR.