

II. Safeguard Framework

A. Insurance Sector

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

Sub-sectors	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
a. Direct insurance (including co-insurance) (a) Life insurance (Excluding Health Insurance) (b) Non-life insurance	<p>Market Access</p> <p>3. Foreign equity participation limited to 49%, subject to meeting economic need tests.</p> <ul style="list-style-type: none"> - The authorized insurance companies in Lao PDR shall have a legal entity operating in insurance business under a company forms: state enterprise, joint-venture companies or private company (public company or limited company). The insurance companies are required to acquire business and investment licenses from relevant authorities of Lao PDR in accordance with relevant applicable law and regulations of Lao PDR. 	<p>Prudential Measures</p> <p>3) Insurance company shall be compliance with the capital requirement stipulated in applicable insurance law and regulation.</p> <ul style="list-style-type: none"> - Insurance companies are restricted from offering both Life and Non-life insurance services. Excluded from the scope of these commitments are compulsory insurance, including but not limited to social security fund. <p>4) According to Labor Law, the foreign labors are allowed to come in not excess 10% for the physical force labor and 20% for professional.</p> <p>Foreign Exchange Administration Measures</p> <p>2). The transaction of capital outflow from Lao PDR made by insurance companies shall report to or are approved by competent authorities of Lao PDR.</p> <p>3) Security deposits of insurance company must be in LAK and shall be deposited in any commercial bank in Lao PDR</p> <p>Other Measures</p> <p>3) Article 21 of the Insurance law of Lao PDR states that An insurance business license which has been issued to an insurance enterprise may be withdrawn from for certain types of insurance activities or all types of insurance activities at any time if such enterprise fails to comply with the prescribed conditions; or Fails to apply measures stipulated in the re-organization plan in due time; or seriously violates regulations which prescribe existing obligations that are in force.</p> <ul style="list-style-type: none"> - Insurance contracts relating to individuals located in or residing in, risks incurring in and assets located or registered in, the Lao People's Democratic Republic may only be made with

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	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
		<p>companies that are licensed to conduct insurance business in the Lao People's Democratic Republic. All insurance contracts made in violation of the provisions of this Article shall be void and unenforceable.</p> <p>- Minister of Finance's ordinance on new compulsory Motor Insurance Premium and coverage to third party liability in accordance with insurance law which can be found in Lao MOF website at www.mof.gov.la</p>

B. Banking Sector

Sub-sector	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
Investment in Banking sector		<p>Prudential Measures</p> <p>3) According to the New regulation on renewal of registered capital issued on 24 September 2009, the initial capital must be 300 Billion kip for a new establishment bank and 100 Billion kip for a branch.</p> <p>4) According to Labor Law, the foreign labor are allowed to come in not excess 10% for the physical force labor and 20% for professional</p>
Acceptance of deposits and other repayable funds from the public CPC 81115 – 81119)		<p>Foreign Exchange Measures</p> <p>2) A legal person who wishes to open the offshore account are allowed to deposit in current account only</p>
Payment/ Money Transmission		<p>Foreign Exchange Measures</p> <p>2). The transaction of capital outflow from Lao PDR made by commercial banks and financial institutions shall report to or are subject to be approved by the Bank of the Lao PDR</p> <p>Other Prudential Requirement:</p> <p>2). Bringing out cash of the Lao PDR exceeds 100 Million Kip or its equivalent shall be declared to the customs officers in border check point or subject to be approved by the Bank of the Lao PDR</p>
Lending of all types	<p>Market Access</p> <p>1),2) Ratio of lending was determined by the types of borrower/ customer</p>	<p>Prudential Measures</p> <p>1),2) All the external lending of a legal entity are subject to be approved by the Bank of the Lao PDR.</p>

Sub-sector	Measures to be Safeguarded	
	Market Access and National Treatment Measures	Laws and National Policies, including Prudential and Foreign Exchange Measures
Financial Leasing	Market Access	<p>Laws and National Policies</p> <p>3). Those who operate the leasing business must be the legal and autonomous entities and shall have registered capital not less than 500.000.000 kip with the Bank of the Lao PDR approval</p>
Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: - money market instruments (incl. cheques, bills, certificate of deposits, etc.) (CPC 81339**)) - foreign exchange (CPC 1333) (new)		<p>Foreign Exchange Measures</p> <p>2). The transaction of outflow from Lao PDR of commercial banks and financial institutions shall report to or are subject to be approved by the Bank of the Lao PDR</p> <p>Prudential Measures</p> <p>3) An establishment of a foreign exchange bureau shall have registered capital 200 Million kip in Capital city and 100 Million kip or its equivalent in province</p>