



**Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity**

Ministry of Industry and Commerce

No. 0023/PSO.DERM
Vientiane Capital, 9 January 2019

**Decision
on Enterprise Registration**

- Pursuant to the Enterprise law No 46/NA, dated 26 December 2013.
- Pursuant to the Investment Promotion Law No 14/NA, dated 17 November 2016.
- Pursuant to the Organization and Implementation of the Ministry of Industry and Commerce No.230/PM, dated 24 July 2017.
- Pursuant to the Prime Minister Order on Improvement of Regulations and Coordination Mechanism of Doing Business in the Lao PDR No 02/PM, dated 1 February 2018.

Minister of the Industry and Commerce issued decision as following:

**Section I
General Provision**

Article 1 Purposes

This Decision was established to enhance the content in Article 1.2 of Prime Minister Order on Improvement of Regulations and Coordination Mechanism of Doing Business in the Lao PDR No 02/PM, dated 1 February 2018, to be more effective and unified across the country in terms of facilitating business registration and the aim is to facilitate business operations by reducing the process and timing of the establishment of enterprises, with the potential to promote and attract investment from both domestic and foreign countries contributes to national socio-economic development.

Article 2 Enterprises Registration

The registration of an enterprise is the legal recognition of the establishment of a business enterprise by individuals and legal entities both domestic and foreign that launch and operate a business in the Lao PDR, just only one time throughout the operation of the enterprise.

Article 3 Definitions

Terms used in this decision shall have the meanings ascribed below:

1. **An enterprise registration** means a document certifying the establishment of enterprise of individuals or legal entities in compliance with the law;
2. **Registration of individual enterprise** means the registration of an enterprise to establish a business unit in which the person owns the business, conducts business on behalf of the owner of the enterprise and is responsible for the debt of the enterprise indefinitely;
3. **Registration of a joint venture and a corporation** means the registration of an enterprise for the establishment of a private enterprise such as a joint venture, private limited company, a limited company, a public company, a state corporation, and others;
4. **Legal entities** means a business enterprise that is registered as a legal enterprise and has the necessary elements such as name, office location, property and capital, an administration and management system, responsible for the debt in the form of an enterprise, has the legal capacity to perform the rights and obligations, as a plaintiff or defendant as required by law;
5. **A business license** means to a document certifying the rights and obligations to engage in business in any activity in which the relevant governmental sectors provides the enterprise for the business which is required to obtain a business license;
6. **Unauthorized activities** refers to an activity where the relevant sectors is permitted to operate a business without the need for an investment license or a business license, which is not belong to control list or a business which requires a business license;
7. **Activities that require business licenses** means an activity in which the relevant sectors has the manage on technical or specific requirements which must be approved by the relevant sectors before the enterprise can operate;
8. **Starting a business** means starting some activities related to an authorized activity, such as renting a place, hiring a worker, building a permit or import or export.

Article 4 Scope of use

This decision applies to the registration of individuals and legal entities both domestic and foreign that launch and operate a business in the Lao PDR.

Section II

Principles and conditions of enterprise registration

Article 5 Enterprise registration principles

The registration of enterprise shall be carried out in a uniform throughout the country in according to Enterprise Law and this Decision.

All business activities in the Lao PDR must be registered of enterprises except of business activities that do not require the registration of enterprises in accordance to the laws and regulations such as seasonal businesses.

The registration of enterprise is based on the following activities:

1. The activities that not under of control list, it has to follow the procedure as mentioned in Article 16 of the Enterprise Law which the enterprise registration officer can consider enterprise registration without seeking comment from the relevant sectors. After registered the enterprise shall follow each case as follows:
 - 1.1 Businesses that do not require obtaining a business license are commercially viable as listed on the back of the enterprise registration form;
 - 1.2 The business activities that require seek permission from the relevant sectors where the enterprise registration officer will issue a recommendation letter by not to identify such activity on the back of the enterprise registration form.
2. The activities under control list and concession activities shall follow as the procedures in accordance to the Law on Investment Promotion.

Article 6 Content and modified the content of an enterprise registration

The content and form of the enterprise registration form are as follows:

1. The business activities that do not require obtaining a business license are commercially viable as listed on the back of the enterprise registration form. After registered the enterprise, the enterprise registration officer must inform the relevant sector to monitor and manage such activities based on their responsibilities;
2. The business activities that require business licenses or investment licenses are listed in the business license or investment license and be able to operate in such license activities.
3. From the relevant sector where the Registrar of Companies will issue a letter of recommendation without listing such activity on the back of the enterprise registration..

Enterprises registered under the enterprise law that be able to have multiple investment licenses or licenses.

To change in the enterprise registration content of each time that must be submitted to the industry and commerce sector where the enterprise registration was issued in order to change the content and issue a new an enterprise registration certificate. In case of any change in the content

of enterprise registration, if there is a need to change the content of an investment license or a business license, the enterprise must submit the proposal to the relevant sector for change in the license content in consist of the revised enterprise registration.

Article 7: Instruction guidance

The instruction guidance is a guide issued by the registration authorities to enterprises that have obtained a business registration and then cooperate with relevant sectors to obtain business or investment licenses. In the case of the list of activities on requested from investor are include the list of investment license in according to control list or concession list, the registration authorities should advise investors to apply for investment permission with the Planning and Investment Sector before registration of enterprises as defined in the Investment Promotion law.

Article 8 Authorities to sign an enterprise registration

The person who has the right to sign an enterprise registration at each level must be official authorized as follows:

1. At the central level: Enterprise registration officers at the Department of Enterprise Registration and Management (DERM), with the agreement of the Director General of ERMD, assigns up to four authorities in the order of priority;
2. At provincial Level: Enterprise registration officers at the Provincial/Capital Department of Industry and Commerce, with the agreement of the Director General of Provincial/Capital Industry and Commerce, assigns up to three authorities in the order of priority;
3. At district level: Enterprise registration officers at District of Industry and Commerce Office, with the agreement of the Head of District Industry and Commerce Office, assigns up to two authorities in the order of priority;

Article 9 Dividing responsible for consideration on issuing business license

1. Department of Enterprise Registration and Management considers the registration of enterprises with respect to the establishment of foreign entities, state-owned enterprises, joint venture enterprises, companies and private enterprises with a registered capital of more than five hundred million kip which the office is located in Vientiane Capital and other provinces where is necessary by periodic notice;
2. The Provincial/Capital of Department of Industry and Commerce consider the registration of state-owned enterprises, joint venture enterprises, companies except limited companies and

private enterprises with a registered capital more than five hundred million which the office is in their province, capital;

3. The District/Municipal Industry and Commerce Office consider the registration of cooperatives in according to the decree of cooperatives and the registration of individual enterprises with a registered capital of less than five hundred million kip. In case of any city is not ready to register an enterprise in accordance with such conditions, it is given to the Provincial/Capital of the Department of Industry and Commerce to discover and present to the Ministry of Industry and Commerce for consideration;

Article 10 Procedures and timelines for issuing of enterprise registration

The procedure and timeline for considering the enterprise registration process are as follows:

1. To fill out the documents then submit to the industry and commerce sector according to the dividing responsibilities for consideration as mentioned in Article 9 of this Decision;
2. After receiving documents, the registration officer shall verify the documents as mentioned in Article 12 of this Decision within one hour and immediately respond to the applicant in each case as follows:
 - 2.1 Complete and accurate documents, the registration officer must provide receipt to applicant. The receipt shall include receipt and the appointment date for obtaining the business license no later than 10 working days from the issued date of receipt documents.
 - 2.2 Incomplete or inaccurate documents, registration officer must be notified immediately to the applicant and suggested for correction by showing the point of amendment and the signature of the counselor in the documents. After a complete and accurate revision that should follow the procedures and timelines outlined in section 2.1 of above mentioned.

Article 11 Requirements for Registration of Enterprises

The enterprise registration documents in the printed form of the Department of Enterprise Registration and Management as follows:

- A. Private enterprise registration form include:
 - 1.) Application form for establishment of private enterprises;
 - 2.) Business activities for enterprises.
- B. Joint venture companies and private companies registration form include:
 - 1.) Application form for establishment of enterprises;
 - 2.) Business activities for enterprises.
 - 3.) Establishment Agreement for enterprises excludes limited companies.

In case of legal entities registration, the enterprise must have letter of Antony from the parent enterprise.

Article 12: Inspection of enterprise registration documents

After receiving the enterprise registration documents, the registration officer can inspect and give advice only specific contents as follows:

1. Examine the number and types of documents as mentioned in Article 11 of this decision;
2. Check the accuracy and consistency of the contents of:
 - 2.1 The name of the enterprise as defined in Articles 26 and 27 of the Enterprise Law and other relevant regulations;
 - 2.2 Registered capital of enterprise and share proportion based on the laws and regulations;
 - 2.3 The content of the proposed business statement based on the laws and regulations;
 - 2.4 Office location and contact number that may be temporary or permanent location.

All contents in printed form are subject to the agreement and the responsibilities of the enterprise in accordance with the laws and regulations.

Article 13 Establishment of Branches, State Enterprises and Cooperatives

The establishment of branches, state enterprises and cooperatives is to follow the enterprise laws, cooperative decree, relevant laws and regulations.

Article 14 Notification of enterprise registration

Department of Enterprise Registration and Management, Provincial/Capital of the Department of Industry and Commerce, District of Industry and Commerce Office at the enterprise registration service must be attached to the information that can be clearly seen as follows:

1. A list of documents that have to attached as mentioned in Article 11 of this decision;
2. Procedures and timelines for consideration of enterprise registration;
3. The name and surname, title as well as the picture of the person who has a right for signing the enterprise registration certificate;
4. The name and surname, title as well as the picture of the person assigned to handle the task of receiving and inspecting the enterprise registration document;
5. Fees and charges for enterprise registration.

Article 15 Provision of Facilities

Department of Enterprise Registration and Management, Provincial/Capital of the Department of Industry and Commerce, District of Industry and Commerce Office at the enterprise registration service should have facilities such as computer, printer as appropriate for businesses to register the enterprise.

Section III

Requesting Business Permit after enterprise registration

Article 16 Requesting Business Permit

The activities require for business license is to be determined by the relevant sectors from time to time in according to laws or regulations as reference the issuance of business licenses.

Doing business on the activities require for business license, after getting enterprise registration, the enterprise shall submit a business registration certificate and the original of recommendation letter or a copied to the relevant sectors in order to apply for the business licenses in accordance to the procedures and regulations of the relevant sectors.

From the date of enterprise registration, if the enterprise does not have any of the activities listed in the enterprise registration certificate, it must be carried out to obtain an investment or business license in any activities from relevant sectors within 90 days unless otherwise specified by law. If the license cannot be obtained by the timeline, it shall inform the reason to the industry and commerce sector.

From the date of obtaining enterprise registration certificate with the list of business activities that can be implemented or the investment or business license must operate its business within 90 days.

Whenever an issuance or change of investment license or business license is issued, the enterprise must submit original of the enterprise registration certificate to the industry and trade sector where the enterprise registration is issued within 05 working days from the date of issuance of the license for collecting and entering data into an enterprise database.

Article 17 Contents of Business License

The content and format of the business license shall be subject to follow the line agencies regulations, with the following main contents:

1. The name of the enterprise as specified in the enterprise registration;
2. Enterprise code;
3. Taxpayer identification number;
4. Office location;

5. List of activities that allowed to operate the businesses by mentioned on Lao Standard Industrial Classification of all Economic Activities (LSIC)

Article 18 Adding activities after registered enterprise

Registered enterprises and operated activities in any businesses based on the laws and regulations if required to add any of the following activities that can be purposed directly to the relevant sectors in each case as follows:

1. Submit application to the Ministry of Industry and Commerce for the activities that does not require an investment license and a business license;
2. Submit application to the relevant sectors for the activities that require to do business license;
3. Submit application to the Planning and Investment Sector for the activities that require investment license.

Upon receipt of an investment license or business license shall comply with paragraph 5 of Article 16 of this decision.

Section IV

Managing the implementation of enterprise registration

Article 19: The management section on enterprise registration

Department of Enterprise Registration and Management, Provincial/Capital of the Department of Industry and Commerce, District/Municipal of Industry and Commerce Office as focal point to coordinate with the central and local authorities to implement this decision.

Article 20 Rights and duties of the Department of Enterprise Registration and management

Department of Enterprise Registration and Management has the rights and duties as following:

1. Disseminate this Decision along with other legislations relating to the enterprise registration to the registration officers to clearly understand in detail of this decision;
2. To coordinate with relevant sectors to gather information on activities that require business licenses in accordance to the laws and regulations of related sectors;
3. Notify the relevant departments after each enterprise has been issued copied of the enterprise registration and recommendation letter;
4. Notify the Provincial Department of Industry and Commerce, where the enterprise is located to manage and monitor;

5. After the enterprise registration, the authorities shall monitor, manage the businesses operation and change the contents of the enterprise registration as specified in Article 23 of the Enterprise Law;
6. Follow up the operating of enterprise license for enterprises which the Department has issued the enterprise registration certificate, after obtaining the business license it shall collect the information and submit to the enterprise database;
7. To appoint staffs who has the right to sign enterprise registration certificate at the Central level as specified in paragraph 1 in Article 8 of this decision;
8. To provide information and facilities for enterprise registration as stipulated in Articles 14 and 15 of this decision strictly;
9. Summarize report on the implementation of enterprise registration to the Ministry's management as quarterly, semi-annually and annually;
10. To perform other rights and duties assigned by the higher authorities.

Article 21 Rights and Duties of Provincial/Capital of the Department of Industry and Commerce

Provincial/Capital of the Department of Industry and Commerce has the rights and duties as following:

1. Disseminate this Decision along with other legislations relating to the enterprise registration to the registration officers within their own district, province, capital to clearly understand;
2. To coordinate with relevant sectors at the province and its capital to make understanding of new enterprise registration as defined in this decision to achieve a unified and effective on implementation;
3. Notify the relevant departments after each enterprise has been issued copied of the enterprise registration and recommendation letter;
4. Notify the District of Industry and Commerce Office, where the enterprise is located to manage and monitor;
5. After the enterprise registration, the authorities shall monitor, manage the businesses operation and change the contents of the enterprise registration as specified in Article 23 of the Enterprise Law;
6. Follow up the enterprise operating license issued by the Provincial/Capital of the Department of Industry and Commerce, after obtaining the business license, it shall collect the information and submit to the enterprise database;

7. To appoint staffs who has the right to sign enterprise registration certificate at the provincial level as specified in paragraph 2 in Article 8 of this decision;
8. To provide information and facilities for enterprise registration as stipulated in Articles 14 and 15 of this decision;
9. Encourage to enhancing knowledge of the staffs of the District of Industry and Commerce Offices in enterprise registration tasks;
10. Summarize report on the implementation of enterprise registration to the Department of Enterprise Registration and Management as quarterly, semi-annually and annually;
11. To perform other rights and duties assigned by the higher authorities.

Article 22 Rights and Duties of District/Municipal of the Industry and Commerce Office

District/Municipal of the Industry and Commerce Office has the rights and duties as following:

1. Disseminate, advise this Decision along with other legislations relating to the enterprise registration to the registration officers, society within their own district, city to clearly understand;
2. To coordinate with relevant sectors at the district and its city to create understanding of new enterprise registration as defined in this decision to achieve a unified and effective on implementation;
3. Notify the relevant sectors after each enterprise has been issued copied of the enterprise registration and recommendation letter;
4. After the enterprise registration, the authorities shall monitor, manage the businesses operation and change the contents of the enterprise registration as specified in Article 23 of the Enterprise Law;
5. Follow up the enterprise operating license issued by the District/Municipal of the Industry and Commerce Offices, after obtaining the business license, it shall collect the information and submit to the enterprise database;
6. To appoint staffs who has the right to sign enterprise registration certificate at the district level as specified in paragraph 3 in Article 8 of this decision;
7. To provide information and facilities for enterprise registration as stipulated in Articles 14 and 15 of this decision;
8. Summarize report on the implementation of enterprise registration to the Provincial/Capital of the Department of Industry and Commerce as quarterly, semi-annually and annually;
9. To perform other rights and duties assigned by the higher authorities.

Chapter 5 Prohibition

Article 23 Prohibition of officers and registration authorities

Prohibit employees and registration authorities to behave as follow:

1. Abuse of power, duties, positions for personal profit;
2. Requires additional documentation other than mentioned in Article 11 of this decision;
3. Taking bribes from enterprise applicants or others by using their positions;
4. Prolonged consideration of enterprise registration documents;
5. Other prohibited acts as described in laws and regulations.

Article 24 Prohibition for enterprise applicants

Prohibit the enterprise applicants to acts as follows:

1. Intentionally falsifying documents or information;
2. Bribe, obstruct the performance of employees and enterprise authorities;
3. Does not comply with the measures as described in the Enterprise Law, this Decision and other regulations, along with the instructions provided on the back of the enterprise registration certificate.
4. Other prohibited acts as described in laws and regulations.

Chapter 6 Measures against violators

Article 25 Measures against Violators

Individuals, legal entities or organizations that violate this Decision shall be subject to notification, education, disciplinary, fine, civil damages, criminal penalties and additional penalties.

Article 26: Alerts and Education measures

Individuals, legal entities that violate the rules, as prohibited outline in this Decision that are minor and the first to offense which is not a criminal, shall be warned and educated and recorded.

Article 27 Disciplinary Measures

Authorities and relevant government officials who violate this Decision such as the prohibition against any criminal offense, shall be subject to disciplinary action as provided by law:

1. Warning offense based on regulations as well as report a criminal record to his/her biography;
2. Suspending the promotion, salary or award as described in the Personnel - Civil Servants Law;
3. Discharge or transfer to a lesser position;
4. Relieve of the government without a policy.

Those who are disciplined must return the assets as acquired incorrectly to the organization fully.

Article 28. Fine measures

Any enterprise applicants who violates this decision shall be subject to fines as mentioned in the Enterprise Law, Civil Law, Laws and Regulations.

Article 29 Civil measures

Individuals, legal entities and organizations that have violated this decision, which is harmful to the interest of the state, society, or any other party, shall be indemnified.

Article 30 Criminal Measures

Any person who violates this decision, which is a criminal offense, shall be punished according to the criminal law depend on light or heavy case.

Article 31. Additional penalties

In addition to the measures against violators as mentioned in Articles 25 to 30 of this decision, offenders will also be subjected to additional penalties such as suspending or revoking enterprise registration, prohibiting business activities in Lao PDR.

Chapter 7

Final provisions

Article 32 Implementation

Department of Enterprise Registration and Management, Ministry of Industry and Commerce to coordinate with relevant sectors to implement this decision effectively.

Provincial/Capital of the Department of Industry and Commerce, District/Municipal of Industry and Commerce Office shall recognize and parallel implement this decision in accordance to their roles effectively.

Article 33. Effectiveness

This instruction becomes effective after the signed and published on Official Gazette after 15 working days and this will be start implementing from 1 February 2019.

Enterprises registered before the implementation of this decision will continue to be implemented. In case to changes the content of enterprise registration that must be compliance with the new requirements of this decision.

1. Any activity listed on the back of the enterprise registration certificate but has been granted investment or business license, it may continue to operate in the business as provided by the license. Activities that do not require a permit will be listed on the back of the new enterprise registration certificate for business operation in accordance to this decision;
2. Any activity listed on the back of the enterprise registration certificate but has not been granted investment or business license that must be requested permit from concerned sectors.

This Decision is to replaces the Instruction No. 0537/MOIC.DERM, dated 4 May 2018 on Enterprise Registration (Natural Persons and Legal Entities) Related Application for Investment or Business Operation In Accordance With Prime Minister's Order No. 02/PM, dated 01 February 2018.

Minister
(Signed and sealed)

Ms. Khemmani Pholsena