



(Unofficial Translation)

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

Ministry of Industry and Commerce

No.0023/MOIC.DERM
Vientiane Capital, dated 09th January 2019

**DECISION
ON
ENTERPRISE REGISTRATION**

- Pursuant to the Law on Enterprise No.46/NA, dated 26 December 2013;
- Pursuant to the Law on Investment Promotion No.14/NA, dated 17 November 2016;
- Pursuant to the Mandates of the Ministry of Industry and Commerce No. 230/PM, dated 24 July 2017;
- Pursuant to the Prime Minister's Order on the Improvement of the Regulations and Coordination Mechanism Related to Doing Business in Lao PDR No. 02/PM, dated 01 February 2018.

Minister of Industry and Commerce decides:

**CHAPTER 1
General Provisions**

Article 1 Objectives

This Decision is made to implement the Clause 1.2 of the Prime Minister's Order No. 02/PM, dated 01 February 2018, on the Improvement of Regulations and Coordination Mechanism Related to Doing Business in Lao PDR on effective and uniform basis throughout the country with respect to enterprise registration. It aims at facilitating business operations by reducing procedures and time of business establishment, creating favorable environment for the promotion and attraction of domestic and foreign investment contributing to the national socio-economic development to grow steadily.

Article 2 Enterprise Registration

Enterprise registration is the approval of enterprise establishment in accordance with the law for both domestic and foreign individual and legal entity, who is established and carries out business operations in Lao PDR. It is a one-time registration that is valid throughout its operations.

Article 3 Definition of Terms

The terms as defined in this Decision shall have the following meanings:

- 1. Enterprise Registration Certificate** means a document certifying the establishment of an individual enterprise or legal entity according to the law;
- 2. Registration of individual enterprise** means an application for establishment of enterprise which is owned by a sole proprietor who operates a business on his/her behalf and has unlimited responsibility for enterprise liabilities;
- 3. Registration of partnership and company** means an application for establishment of a legal- entity enterprise such as ordinary partnership, limited partnership, limited company, public company, a state-owned enterprise and etc.;

4. Legal entity means a business unit that is legally established and has integral components such as a business name, business office address, assets, capital, systematic management organization, responsibility for liability based on each type of enterprises and legal capacity to implement its rights and obligations, being a plaintiff or defendant as prescribed by laws.

5. Business operating license means a document specifying and certifying rights and obligations in doing any business activities issued by competent government authorities for enterprises that are required to apply for a business operating license;

6. Business activities that are not required to apply for a license mean business activities that are allowed to operate without applying for an investment permit or business operating license, which are not specified on the controlled business list nor required to apply for an operating permit;

7. Business activities required to apply for business operating license means activities that are required to pass a technical review by relevant sector or fulfilled specific requirements to operate such activities. After business registration is granted, a permit from relevant sector shall be obtain before starting business operations;

8. Starting a business operation means start running a licensed business activity such as premises rental, employment, applying for construction permits; or applying for import or export permits.

Article 4 Scope of Application

This Decision applies to application for registration of domestic and foreign individual enterprises or legal entities operating in Lao PDR.

CHAPTER 2

Principles and Requirements on Enterprise Registration

Article 5 Enterprise Registration Principles

Enterprise registration shall be implemented on uniform basis throughout the country in accordance with the Law on Enterprise and this Decision. Any business operations in Lao PDR are required to apply for business registration, except business operations not required to apply for business registration as stipulated in the laws and regulations, including seasonal business operations.

Enterprise registration shall be carried out according to each type of business activities:

1. Business activities that are not included on the sensitive list are required to comply with procedures as defined in Article 16 of the Law on Enterprises that enterprise registrar may consider enterprise registration without seeking recommendations from relevant sectors. After enterprise registration, actions shall be followed depending on each case:
 - 1.1 Business activities that are not required to apply for business operating license are [immediately] allowed to carry out business operations, where business activities shall be specified on the back of the enterprise registration certificate;
 - 1.2 Business activities that are required to apply for business operating license shall apply for a permit from relevant sector, where enterprise registrar would issue a Letter of Instruction and business activities would not be specified on the back of the enterprise registration certificate.
2. Business activities that are on the sensitive list and under concession shall comply with the Law on Investment Promotion.

Article 6 Contents and Changing of Contents on Enterprise Registration Certificate

Contents and form of enterprise registration certificate shall be applied according to the prescribed form of the Department of Enterprise Registration and Management as follows:

1. Business activities that are not required to apply for business operating license are [immediately] allowed to carry out business operations, where business activities are specified on the back of the enterprise registration certificate. After enterprise registration, the relevant enterprise registrar shall notify relevant sector for purposes of monitoring and management according to their rights and duties;
2. Business activities that are required to apply for business operating or investment license are specified on the enterprise registration or investment license and may carry out business operations according to business activities as specified on such license. Any enterprises that are legally registered according to the Law on Enterprises may have more than one investment or business operating licenses. Any changes to the contents of Enterprise Registration Certificate, each time, shall be reported to the Industry and Commerce Sector where such license was issued in order to change its contents and issue a letter to confirm such changes of Enterprise Registration Certificate.

In case the changes of contents of Enterprise Registration Certificate are required to change contents of investment or business operating license, the enterprise shall request the relevant sector to change contents of such license to be consistent with the amended Enterprise Registration Certificate.

Article 7 Letter of Instruction

The Advice Letter is a document issued by enterprise registrar that instructs an enterprise received an Enterprise Registration Certificate to cooperate with relevant sectors to apply for a business operating or investment license. In case on the list of proposed business activities of an investor only includes business activities that are required to apply for an investment license according to the sensitive list or concession list, the responsible enterprise registrar shall recommend the investor to apply for investment license with the Planning and Investment Sector before Enterprise Registration Certificate is issued according to the Law on Investment Promotion.

Article 8 Officers Authorized to Sign Enterprise Registration Certificate

The officers who are authorized to sign an Enterprise Registration Certificate at each level shall be enterprise registrar who are appointed in writing as follows:

1. Central level: at least four (4) enterprise registrars under the Department of Enterprise Registration and Management who are appointed by decision of the Director General of such department to sign the Enterprise Registration Certificate depending on the management hierarchy;
2. Provincial level: at least three (3) enterprise registrars under the Provincial [and] Capital Industry and Commerce Department who are appointed by the Director of such department to sign the Enterprise Registration Certificate depending on the management hierarchy;
3. District level: at least two (2) enterprise registrars under the District [and] City Industry and Commerce Office who are appointed by the Head of such office to sign the Enterprise Registration Certificate depending on the management hierarchy.

Article 9 Allocation of Responsibilities for Processing and Issuance of Enterprise Registration Certificate Applications for enterprise registration are processed as the followings:

1. The Department of Enterprise Registration and Management processes applications for enterprise registration with regard to the establishment of foreign legal entity

branch, state-owned enterprise, partnership, company and individual enterprise with registered capital of five hundred million and higher that has business address in Vientiane Capital and other provinces where necessary which is subject to specific notification in each period;

2. The Provincial [and] Capital Department of Industry and Commerce processes applications for enterprise registration with regard to state-owned enterprises, partnership, company, except public company, and individual enterprise with registered capital of five hundred million kip and higher that has business address in respective province [and] Capital;
3. The District [and] Capital Office of Industry and Commerce processes applications for enterprise registration with regard to the establishment of cooperative [enterprise] as stipulated in the Decree on Cooperative [Enterprises] and the establishment of individual enterprise with registered capital of five hundred million and lower.

In case any district is not ready for enterprise registration according to the defined rules, the Provincial [and] Capital Department of Industry and Commerce shall be responsible for such applications from those districts and propose to the Ministry of Industry and Commerce for consideration.

Article 10 Procedures and Time Period for Processing Applications and Issuance of Enterprise Registration Certificate

Procedures and time period for processing applications and issuance of Enterprise Registration Certificate shall be as follows:

1. Prepare documentation and submit them to the Industry and Commerce Sector based on allocation of responsibilities for processing and issuance of business registration license as defined in Article 9 of this Decision;
2. After receiving documentation, the enterprise registrar shall complete checking accuracy of the documents as stipulated in Article 12 of this Decision within one hour and shall immediately notify the applicant according to each of the following cases:
 - 2.1 In case the application is complete and correct, the enterprise registrar shall provide an acknowledgement of receipt. An acknowledgement of receipt shall include the date, time of receipt and date of receipt of Enterprise Registration Certificate not later than ten working days from the date of issuing an acknowledgement of receipt.
 - 2.2 In case the application is incomplete or incorrect, the enterprise registrar shall immediately notify the applicant and advise her/him to correct and improve it by indicating the points that are needed to be corrected or improved and the registrar shall sign such instruction form. After the application is complete and corrected, procedures and time period as defined in sub-paragraph 2.1 of this Article shall be applied.

Article 11 Documents Required for Enterprise Registration

Documents required for enterprise registration as defined in the prescribed form of the Department of Enterprise Registration and Management are as follows:

A. Documentation for registration of individual enterprise include:

1. Application form for individual enterprise establishment;
2. List of business activities that are proposed to operate.

B. Documentation for registration of partnership and company include:

1. Application form for enterprise establishment;
2. List of business activities that are proposed to operate.

3. An agreement of enterprise establishment, except sole limited company. In case a legal entity applies for enterprise registration, it shall submit a power of attorney from the mother enterprise.

Article 12 Examination of Documents Required for Enterprise Registration

After receiving documents required for enterprise registration, the enterprise registrar may examine and advise on specific areas as follows:

1. Examine the number and type of documents as stipulated in Article 11 of this Decision;
2. Examine accuracy and consistency of contents of the documents as follows:
 - 2.1 Name of enterprise as defined in Articles 26 and 27 of the Law on Enterprises and other relevant regulations;
 - 2.2 Enterprise registered capital and shareholding ratio as defined in the law and relevant regulations;
 - 2.3 A list of business activities that are proposed to operate as defined in the law and relevant regulations;
 - 2.4 Office address and contact number/s whether a temporary or permanent office. Other contents as specified on the prescribed form would depend on the agreement and is the responsibility of founder of an enterprise as defined in the laws and regulations.

Article 13 Establishment of Branch, State-Owned Enterprise and Cooperative

The establishment of a branch, state-owned enterprise and cooperative shall comply with the Law on Enterprises, Decree on Cooperatives, relevant laws and regulations.

Article 14 Filing of Information Related to Enterprise Registration

The Department of Enterprise Registration and Management, the Provincial [and] Capital Department of Industry and Commerce and the District Office [and] City of Industry and Commerce where the application is filed shall display key information at the spots that could be seen as follows:

1. List of documents to be submitted as stipulated in Article 11 of this Decision;
2. Procedures and time period for processing and consideration of enterprise registration;
3. First and last name, position, photo/s of authorized person/s to sign enterprise license;
4. First and last name, position, photo/s of a person assigned to receive and examine documents for enterprise registration;
5. Fees and service charges regarding to application for enterprise registration.

Article 15 Provision of Facilities

The Department of Enterprise Registration and Management, the Provincial [and] Capital Department of Industry and Commerce, and the District [and] City Office of Industry and Commerce where applications for enterprise registration are submitted shall provide necessary facilities such as computers [and] printers as deemed appropriate to enterprise registration services.

CHAPTER 3

Application for Business Operating License after Enterprise Registration

Article 16 Application for Business Operating License

Business activities that are required to apply for a business operating license are defined by relevant sectors. The issuance of business operating license shall be based on sectoral laws and regulations. Business activities that are required to apply for business operating license, after enterprise registration, the enterprise shall present the original or copied Enterprise Registration Certificate and Advice Letter to the relevant sectors to apply for business operating license in accordance with procedures and regulations as defined by relevant sectors. After receiving an Enterprise Registration Certificate that has a list of business activities that could operate immediately or an investment license or a business operating license that shall start business operations within 90 days. Each time of an issuance or any changes in the investment license or business operating license, the enterprise shall submit an original license to the Industry and Commerce Sector where the Enterprise Registration Certificate was issued within five (05) working days from the date of issuance of such license for the purpose of collecting information and enter into the business registration database.

Article 17 Contents of Business Operating License

Contents and format of a business operating license shall be complied with regulations issued by relevant sectors with the following main contents:

1. Name of enterprise as specified in the Enterprise Registration Certificate;
2. Enterprise Identification Number;
3. Taxpayer Identification Number;
4. Office address;
5. List of business activities that are allowed to operate that have been given sectoral identification code of Lao PDR (LSIC).

Article 18 Adding Business Activities after Enterprise Registration

An enterprise that has been registered and operates any business activities in accordance with laws and regulations, wishing to operate additional activities may directly apply with the relevant sector depending on each of the following cases:

1. To submit an application to the Industry and Commerce Sector, in case business activities are not required to apply for an investment license and business operating license;
2. To submit an application to the relevant sector, in case business activities are required to apply for a business operating license;
3. To submit an application to the Planning and Investment Sector, in case business activities are required to apply for an investment license. After receiving an investment license or business operating license, the enterprise shall comply with the provisions of paragraph 5, Article 16 of this Decision.

CHAPTER 4 **Enterprise Registration Management**

Article 19 Enterprise Registration Management Authority

The Department of Enterprise Registration and Management, the Provincial [and] Capital Department of Industry and Commerce, and the District [and] City Office of Industry and Commerce shall coordinate with relevant agencies at central and local levels to implement this Decision.

Article 20 Rights and Duties of the Department of Enterprise Registration and Management

In the implementation of enterprise registration, the Department of Enterprise Registration and Management has the following rights and duties:

1. To disseminate, instruct [the implementation of] this Decision and other legislation regarding to enterprise registration to enterprise registrars at all levels;
2. To coordinate with relevant sectors to collect information of enterprises that are required to apply for enterprise operating license according to the laws and regulations of relevant sectors;
3. To notify relevant sector after issuing an Enterprise Registration Certificate for each enterprise with a set of copied Enterprise Registration Certificate and Advice Letter;
4. To notify the Provincial [and] Capital Department of Industry and Commerce where the enterprise is located for management and inspection;
5. After enterprise registration, shall monitor, manage enterprise operations and any changes in the Enterprise Registration Certificate as defined in Article 23 of the Law on Enterprises;
6. To monitor the application for a business operating license of the applicant that the Department has issued an Enterprise Registration Certificate; after receiving a business operating license, it shall collect and enter information into the enterprise database;
7. To appoint personnel who are authorized to sign Enterprise Registration Certificates at the central level as defined in paragraph 1, Article 8 of this Decision;
8. To provide information and facilities for enterprise registration as defined in Articles 14 and 15 of this Decision strictly;
9. To summarize [and] report on the implementation of enterprise registration activities to the management of the ministry on quarterly, bi-annual and annual basis;
10. To implement other rights and duties as assigned by higher level.

Article 21 Rights and Duties of Provincial [and] Capital Department of Industry and Commerce

In the implementation of enterprise registration, the Provincial [and] Capital Department of Industry and Commerce has the following rights and duties:

1. To clearly disseminate, instruct [the implementation of] this Decision and other legislation regarding to enterprise registration to enterprise registrars in throughout districts under its jurisdiction;
2. To coordinate with relevant sectors within the province [and] Capital to raise awareness on new enterprise registration as defined in this Decision to ensure uniform understanding and implementable with high effectiveness;
3. To notify relevant sectors after issuing an Enterprise Registration Certificate for each enterprise with a set of copied Enterprise Registration Certificate and Advice Letter;
4. To notify the Office [and] City Office of Industry and Commerce where the enterprise is located for management and inspection;
5. After enterprise registration, shall monitor, manage enterprise operations and any changes in the Enterprise Registration Certificate as defined in Article 23 of the Law on Enterprises;
6. To monitor the application for a business operating license of the applicant that the Provincial [and] Capital Department of Industry and Commerce has issued an Enterprise Registration Certificate; after receiving a business operating license, it shall collect and enter information into the enterprise database;
7. To appoint personnel who are authorized to sign Enterprise Registration Certificates at the provincial level as defined in paragraph 2, Article 8 of this Decision;
8. To provide information and facilities for enterprise registration as defined in Articles 14 and 15 of this Decision;
9. To provide capacity building for personnel of the District [and] City Office of Industry and Commerce on enterprise registration;

10. To summarize [and] report on the implementation of enterprise registration activities to the Department of Enterprise Registration and Management on quarterly, biannual and annual basis;
11. To implement other rights and duties as assigned by higher level.

Article 22 Rights and Duties of District [and] City Office of Industry and Commerce

In the implementation of enterprise registration, the District [and] City Office of Industry and Commerce has the following rights and duties:

1. To clearly disseminate, instruct [the implementation of] this Decision and other legislation regarding to enterprise registration to enterprise registrars, public within their district, City under its jurisdiction;
2. To coordinate with relevant sectors within their district [and] City to raise awareness on new enterprise registration as defined in this Decision to ensure uniform understanding and implementable with high effectiveness;
3. To notify relevant sectors after issuing an Enterprise Registration Certificate for each enterprise with a set of copied Enterprise Registration Certificate and Advice Letter;
4. After enterprise registration, shall monitor, manage enterprise operations and any changes in the Enterprise Registration Certificate as defined in Article 23 of the Law on Enterprises;
5. To monitor the application for a business operating license of the applicant that the District [and] City Office of Industry and Commerce has issued an Enterprise Registration Certificate; after receiving a business operating license, it shall collect and enter information into the enterprise database;
6. To appoint personnel who are authorized to sign Enterprise Registration Certificates at the district level as defined in paragraph 3, Article 8 of this Decision;
7. To provide information and facilities for enterprise registration as defined in Articles 14 and 15 of this Decision;
8. To summarize [and] report on the implementation of enterprise registration activities to the Provincial [and] Capital Department of Industry and Commerce on quarterly, bi-annual and annual basis;
9. To implement other rights and duties as assigned by higher level.

CHAPTER 5 Prohibitions

Article 23 Prohibitions for Registration Personnel and Enterprise Registrars

Registration personnel and enterprise registrars are prohibited from the following acts:

1. Abuse of their power, duties, positions to seek personal interests;
2. To demand additional documents in addition to as defined in Article 11 of this Decision;
3. To accept bribes from applicants or other persons through the abuse of their duties and positions;
4. To hinder processing of enterprise registration applications;
5. To commit other acts that are prohibitions as defined in the laws and regulations.

Article 24 Prohibitions for Applicants of Enterprise Registration

Any applicants for enterprise registration are prohibited from the following acts:

1. To falsify documents or deliberately report incorrect information;

2. To give bribes, hinder the performance of duties of enterprise registration personnel and registrars;
3. To fail to comply with measures as defined in the Law on Enterprises, this Decision and other regulations as well as instructions as specified on the back of the Enterprise Registration Certificate or instructions of enterprise registrars on application for enterprise registration;
4. To commit other acts that are prohibitions as defined in the 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 warning, re-education, disciplinary action, fines, and payment for civil damages, criminal action and additional measures.

Article 26 Warning and Education Measures

Individuals, legal entities that violate regulations, especially prohibitions as defined in this Decision that is not severe and for the first time which is not criminal offense shall be warned and educated and make a memo.

Article 27 Disciplinary Measures

Relevant government officers and personnel who violate this Decision, especially its prohibitions which is not criminal offence shall be subject to disciplinary action as defined in the laws including:

1. To be warned according to the regulations as well as to be recorded in their biography file;
2. To be subject to suspension of promotion, salary ranking or reward as defined in the Law on Civil Services;
3. To be dismissed from position or to move to other duties with lower positions;
4. To be dismissed from civil servant without any compensation. Any persons who are taken disciplinary action shall return assets that they have illegally possessed to the organization.

Article 28 Fines

Any applicants who violate this Decision shall be fined according to the Law on Enterprises, Civil Code, relevant laws and regulations.

Article 29 Civil Measures

Any individual, legal entity and organization that violates this Decision that causes damages to the interests of the State, society or any other persons shall pay compensation for such damages.

Article 30 Criminal Measures

Any persons that violate this Decision that are criminal offenses shall be punished in accordance with the Penal Code depending on severity.

Article 31 Additional Measures

In addition to measures as set forth in Articles 25 to 30 of this Decision, the violator may be subject to additional measures, especially, suspension or withdrawal of Enterprise Registration Certificates [and] prohibition from running business operations in Lao PDR.

CHAPTER 7

Final Provisions

Article 32 Implementation

The Department of Enterprise Registration and Management, Ministry of Industry and Commerce shall cooperate with relevant sectors to effectively implement this Decision. The Provincial [and] Capital Departments of Industry and Commerce, District [and] City Industry and Commerce Offices shall be informed and strictly implement this Decision according to their roles.

Article 33 Effectiveness

This Decision enters into force after the date of its signing, after fifteen days of publishing on the official gazette and shall be implemented from the 1st of February 2019. Any enterprises that have been registered before the implementation of this Decision are allowed to continue the implementation. When there are any changes in the Enterprise Registration Certificate, the new requirements as defined in this Decision shall be complied as the followings:

1. Any business activities that are specified on the back of the Enterprise Registration Certificate and received an investment license or business operating license may continue business activities as specified in such license. Any business activities that are not required to apply for a license are specified on the back of the Enterprise Registration Certificate to run business operations according to this Decision;
2. Any business activities that are specified on the back of the Enterprise Registration Certificate but have not received an investment license or business operating license shall apply for such license with relevant sector.

This Decision supersedes the Decision No.0537/MOIC.DERM, dated 4 May 2018 on Registration for Enterprise Establishment (individual or legal entity) that are Required to Apply for Investment License or Business Operating License in accordance with the Prime Minister's Order No.02/PM, dated 01 February 2018.

Minister

[Signed and sealed]
Ms. Khemmani PHOLSENA