

## **REQUIREMENTS FOR FOREIGN TRADE IN SERVICES**

### **LAO PDR**

#### **General Requirements**

- Commercial presence is allowed through:
  - joint venture with Lao investors and foreign equity participation is limited to 49% of the registered capital.
  - wholly foreign-owned enterprise.
  - branch or representative office.
- Joint ventures are :
  - established and registered under applicable Laws and Regulations
  - jointly owned and operated by one or more legal foreign investors / service supplier and by one or more legal domestic Lao investors.
  - activities and relationship of its parties shall be governed by the contract between its parties and the Joint Venture Articles of Association
  - foreign investors/service suppliers in a joint venture must contribute a minimum portion 30% of the total equity investment in that venture.
- Restrictions on land ownership but foreign services suppliers may lease land and transfer their leasehold interest; and they may own improvements on land and other moveable property and transfer those ownership interest.
- Foreign enterprises have the right to employ skilled and expert foreign personnel when necessary:
  - subject to approval by the authorities
  - obligation to upgrade the skills of their Lao employees, through such techniques as training in the Lao PDR or abroad.

#### **Business Services**

##### Legal Services

- Membership in the Bar limited to :
  - Lao citizens
  - received training at the Lao Bar Association (LBA) for at least one year
- Foreign attorneys are not permitted to represent clients in Lao courts.

##### Accounting, auditing and bookkeeping services

- Foreigners can practice as Certified Public Accountants or Accounting Consultants through a license to practice provided an agreement or contract is signed with their countries on such issue. However the Professional Accountants Body can authorise foreigners for such practices if their countries are members of International Accounting Standards Committee.
- Conditions for a license/certification by foreign professional accountants are :
  - certification based on equivalence of diploma with Lao professional accountants.
  - employment of Lao assistants of equivalent number as the foreign accountants.

- commitment to provide necessary and continuous training to employees of Lao nationality.
  - morality conditions required by the Professional Accountant's Body Board.
  - certification of financial statements by staff of Lao nationality.
  - implementing rights and obligations similarly to members of the Professional Accountant's Body, but they may not become members of such body.
- For auditing services: foreign suppliers may audit only private enterprises.
  - Accounts audited by foreign accountants require the co-signature of a Laotian counterpart.

#### Architectural services

- Plan or document of the any design must be get approval by the organization concern. .

#### Engineering services

- Commercial presence conditions are not applicable to public funded and foreign grant projects.

#### Integrated engineering services

- Commercial presence conditions are not applicable for public funded and foreign grant projects.
- For integrated engineering services for the construction of manufacturing turnkey project:
  - requirement of joint venture
  - foreign equity participation limited to 2/3

#### Urban Planning Services

- Commercial presence conditions are not applicable for public funded and foreign grant projects.
- Project conditions:
  - investment area or location of over 600 hectares requires joint ventures with Lao authority.
  - plans must be approved by the Lao Government based on recommendation of the organization involved in urban planning and design.

#### Landscape Architecture

- Plans must be approved by the Lao Government based on recommendation of the organization involved in urban planning and design.

#### Research & Development Services

- Commercial presence is allowed through joint venture with Lao service supplier.

### Advertising services

- Advertising content needs the approval of the Ministry of Information and Culture of Lao PDR.

## **Communication Services**

### Telecommunication Services

- Commercial presence is allowed through joint venture with one or more domestic Lao investors; a wholly foreign-owned enterprise and a branch or representative office for :
  - Voice Telephone Services
  - Telegraph Services
  - Facsimile Services
  - Data & Message Transmission Services
- Commercial presence is allowed through joint venture or wholly foreign-owned enterprise for:
  - Public payphone services
  - Electronic Message & Information
- Commercial presence is allowed through joint venture with Lao services provider through acquisition of existing services providers for :
  - Telex Services
  - Electronic Mail
  - Voice Mail
  - Online Information & Database retrieval
- Commercial presence is allowed through joint venture with local investor for :
  - Telecommunication consulting services
  - Data and message transmission services
- Voice telephone, telegraph and facsimile services are supplied on a facilities basis, for public use, with regard to local and national long-distance services.
- Requirement to provide services outside of Vientiane for:
  - Voice telephone service
  - Telex services
  - Telegraph services
  - Facsimile services
  - Electronic-mail
  - Voice mail
  - Online information and data base retrieval
  - Public pay phone services
  - Electronic message and information services

### Audiovisual Services<sup>1</sup>

- Commercial presence is allowed through joint venture, and foreign equity is limited to 49%.

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<sup>1</sup> motion picture and video tape production and distribution services; motion picture projection service

### **Distribution**

- Establishment of outlets subject to economic needs test.
- Commercial presence is allowed through joint venture with Lao services suppliers, and foreign equity is limited to 49%.

### **Education**

- Establishment of educational institutions subject to economic need tests
- Private education services refer to fully-privately funded services.
- Content of the curricula subject to approval by the Ministry of Education

### **Healthcare-Related and Social Services**

- Commercial presence is allowed through joint venture with Lao services suppliers, and foreign equity is limited to 49%.

### **Tourism and Travel-Related Services**

#### Hotels and restaurants

- Only 3 stars hotels and above
- Intra corporate transferees limited in terms of :
  - Hotels (general manager, managers)
  - Restaurants (managers)

#### Travel agencies and tour operators services

- Commercial presence is allowed through joint venture, and foreign equity is limited to 70%.
- Limited to inbound tours only
- Only managers allowed.

#### Tourism Consulting Services:

- Establishment of tourism consulting companies subject to economic need tests.
- Only managers allowed.

#### Maritime and Road Transport Services:

- Foreign workers allowed up to 10% of total number of workers