

Unofficial translation



**LAO PEOPLE'S DEMOCRATIC REPLUBIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

Ministry of Industry and Commerce

No. 1327/MOIC.ERM
Vientiane Capital, date 13 July 2015

Notification

To: - Provincial and Capital Departments of Industry and Commerce
- Industry and Commerce Offices in Districts, Suburbs
- Domestic and Foreign Businesses
Subject: List of Business Activities for Foreign Investors (revised / D 02-2015)

- Pursuant to Article 13 of the Decision on Wholesales and Retails Business, No. 1005/MOIC.DTD, dated 22 May 2015;

In order to facilitate foreign investors by providing information on business activities and specific criteria for them prior their consideration investing in our country, Ministry of Industry and Commerce (based on the research and request from relevant ministries) notifies that some business activities (List D 01-2013) is revised to become (List D 02-2015) to relevant stakeholders for information and implementation as follows:

1. The List of Business Activities for Foreign Investors are types of businesses that are not prohibited for foreign investors, but are with some conditions imposed such as minimum, maximum registered capital or foreign equity cap for foreign investors or other limitations. Foreign Investors are natural persons described in the Law of Nationality and entities that have been registered as a business overseas;

2. The List of Business Activities for Foreign Investors (revised / D 02-2015) attached herewith;

3. An approval or a business registration for a person or an entity that is not lawful in accordance with this notification is regarded as not valid. A person who breaches this will be responsible in front of the law;

4. Parties or line ministries must have detailed and clear legislation for all items of business activities for foreign investors for the facilitated implementation.

5. During a period of implementing this notification, if parties or line ministries see the incompliance and would like to add or subtract any business activities from this List can notify the Ministry of Industry and Commerce for amendment and additional notification;

6. This Notification replaced the Notification No. 1591/MOIC.DTD, dated 26 August 2013 on The List of Business Activities for Foreign Investors.

This notification is for information and strict implementation.

Deputy Minister of Industry and Commerce,

[signature and seal]

Siaosavath Savengsuksa

List D 02 - 2015
List of Business Activities for Foreign Investors (Revised)

Sectors	ISIC	Business activities	Conditions for Foreign Investors		Related legislations	Responsible Ministries
			Registered Capital (Lao Kip)	Foreign Equity Participation (%)		
Manufacturing						
	1079	Manufacturing of other food products not classified elsewhere	More than 1 billion	20%	- Notification on the Termination of Foreign Enterprise Registration for the Establishment Of Coffee Factory in Lao PDR, No.1036/MOIC.ERM	MOIC
	2100	Manufacturing of pharmaceuticals, medicinal chemical and botanical products	More than 1 billion	49%	- Law on Drugs and Medical Products No.07/NA, dated 27 December 2011; - Notification on the Management of Medical Equipment in Lao PDR, No.310/MONRE, dated 20/13/2013	MOH
Construction						
	4210	Road and Railway Construction, for this ISIC is specifically for construction of roads and bridges for:	1-240 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Joint venture between domestic and foreign investors	More than 240 billion	100%		
	4312	Site preparation for construction, for this ISIC is specifically for clearing construction sites (excavation and landfill) for:	8-40 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Small project				

		b. Big project	More than 40 billion			
	4329	Other construction installation, for this ISIC is specifically for assembling of building parts for: a. Small project	8-40 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		b. Big project	More than 40 billion			
	4330	Completing and finishing buildings, for this ISIC is specifically for interior and exterior design/decorating (final phase) for: a. Small project	8-40 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		b. Big project	More than 40 billion			
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles						
	4520	Maintenance and repair of motor vehicles (for this ISIC is specifically for establishment of garage for vehicle and mechanical repairs)	More than 1.5 billion	100%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
	4690	Non-specialized wholesale trade (i.e. wholesale business)	From 4 to less than 10 billion	50%	- Decision on Wholesale and Retail Business, No.1005/MOIC.DTD, dated 22 May 2015	MOIC
			From 10 to less than 20 billion	70%		
			More than 20 billion	100%		
	4719	Other retail in non-specialized stores (retail business)	From 4 to less than 10 billion	50%	- Decision on Wholesale and Retail Business No.1005/MOIC.DTD, dated 22 May 2015	MOIC

			From 10 to less than 20 billion	70%		
			More than 20 billion	100%		
Transportation and Warehouse						
	4922	Other passenger land transport (for this ISIC is specifically for taxi meter services)	More than 5 billion	100%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
	4923	Freight transport through highway, for this ISIC is specifically for:	More than 3 billion	100%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Domestic freight transportation	More than 5 billion	49%		
	5210	Warehousing and storage (for this ISIC is specifically for warehousing and storage services)	More than 1 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
	5221	Service activities incidental to land transportation, for this ISIC is specifically for:	More than 5 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Domestic freight stations	More than 10 billion			
	5229	Other transport support activities, for this ISIC is specifically for:	More than 3 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Domestic freight transportation				
		b. International freight transportation				
Accommodation and Food Service Activities						

	5510	Short term accommodation activities (3-5 star hotels)	More than 1 billion	60%	- Law on Tourism No.10/NA, dated 09 November 2005; - Decision of the President of Ministerial Council on Tourism, No.91/PMC, dated 04 November 1989; - Notification No.57/MICT, dated 31 January 2013	MICT
Financial and Insurance Activities						
	6419	Other monetary intermediation, for this ISIC is specifically for:	More than 300 billion (domestic-foreign)	as agreed among shareholders	- Law on the Bank of Lao PDR, No.05/NA, dated 14 October 1999; - Law on Commercial Bank, No.03/NA, dated 29 December 2006; - Ordinance on the Management of Foreign Exchange and Precious Metals, No.705/PO, dated 17 March 2008; - Guideline on Licensing Procedure for Establishment of a Commercial Bank, No.705/CBD, dated 31 December 2007; - Notification on Conditions and Required Documents for Establishment of a Financial Institution, No.154/MFD, dated 17 February 2012.	BOL
		a. Establishment of a bank (commercial bank)	More than 100 billion			
		b. A branch of a bank	More than 3 billion (domestic-foreign)			
		c. A Micro-finance institution				
Professional, Scientific and Technical Activities						
	7110	Architectural and engineering activities and related technical consultancy, for this ISIC conditions are specifically for:	4-8 billion (a small project)	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	MPWT
		a. Research and feasibility study of a project	More than 8 billion (a big project)			
		b. Surveying and urban planning				
		c. Interior and exterior design /decoration				
		d. Construction consultancy				
		e. Surveying, design and civil engineering				
	7120	Technical testing and analysis (for this ISIC is specifically for the establishment of a vehicle technical inspection center)	More than 1 billion	100%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	

Education						
	8549	Other education not classified elsewhere, for this ISIC is specifically for:				
		a. An automobile driving school	More than 8 billion	49%	- Notification on the Establishment of Controlled Business for Public Work and Transportation Sector, No.13779/MPWT, dated 21 August 2012	
		b. A motorcycle riding school	More than 15 billion	100%		
Human Health and Social Work Activities						
	8690	Other human health activities (for this ISIC is specifically for medical and traditional medical business)	More than 1 billion	49%	- Law on Healthcare, No.53/NA, dated 09 November 2005 - Decree on Private Hospital No.16/PM, dated 09 April 1998	

Remarks:

List D 02-2015 (revised) replaced and terminated List D 01-2013. Every business activities in List D 02-2015 (revised) are evaluated as having environmental and social impacts, which to be implemented according to regulations of line ministries;
For ISIC 2100 and 8690, a joint venture between foreign and domestic investors is allowed, with local investor holds professions and the enterprise registration certificate, and play a part in business operation of every business activity in List D 02-2015 revised that are analyzed and summarized from requests by relevant ministries..