

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Commerce

No. 750/MOC

NOTIFICATION ON

**IMPLEMENTATION OF ENTERPRISE REGISTRATION
BASED ON BUSINESS LAW**

- Pursuant to the business law No. 03/94/NA, dated 18/7/94.
- Based on the Prime Minister's Decree No.31/PM, dated 01/02/96 on the implementation of business law.

In order to ensure the success of enterprise registration work is uniformly carried out across the country in conformity with the Prime Minister's Decree on implementation. Ministry of Commerce advises the detailed implementation procedures of enterprise registration as follows:

I. Procedures of applying for enterprise registration through one-stop system.

One-stop system procedures of enterprise registration:

1. Applicants shall submit their application to trading sector first.
2. The trading sector shall hand it over to the other sector concerned.
3. The concerned sector returns it to the trading sector.
4. The trading sector further sends it to the financial sector.
5. The financial sector gives it back to the applicants.

For state-owned enterprises, state joint ventures, financial institutions and foreign investment, before applying shall:

State-Owned Enterprises:

First the Ministry of Finance shall co-ordinate with the ministry concerned for consideration of its establishment, then submit that matter to the Prime Minister for approval. After receiving the approval, a Managerial Council will be formed by the concerned sector and a director is appointed, and its regulation is also approved. Then the director shall ask for its registration from the commercial sector and a patent from the financial sector.

State Joint-Ventures:

Ministry of Finance, in co-ordination with the Ministry concerned, shall consider the establishment of a state joint venture, then submit that matter to the Prime Minister for approval. After receiving the approval, the Ministry of Finance and the Ministry concerned will consult with private shareholders in order to establish a committee of managerial council. Its president will hold a meeting among the shareholders to select a director and adopt the enterprise articles of associations. After that, the director shall apply for the enterprise registration from the trading sector and a patent from the financial sector.

Financial Institutions and Foreign Investment:

Applicants who want to be registered and who conduct business in the field of financial institutions and foreign investment, first have to submit their application for the establishment and investment to the agency concerned, before contacting the trading and financial sector for registration and a patent respectively.

II. Time frame for consideration of application.

1. After receiving the application, the trading sector shall consider and hand it over to the sector concerned, within 10 days.
2. The sector concerned shall consider the document and make written comment on it, then send it back to the trading sector within 30 days.
3. After receiving back the document with comment:
If the comment is **no**, the trading sector shall give the document back to the applicant.
If the comment is **yes**, the trading sector shall register the document and hand it over to the financial sector within 10 days.

The registration certificate shall comprise of four copies:

- One to be kept at the department of registration
 - One is to be forwarded to the sector concerned
 - Two are to be sent to the customs authority, of which one is to be granted to the applicant.
4. After receiving the document, the customs authority shall advise the applicant to register and pay for the fee as set out in the rules, and grant the applicant a patent and enterprise registration certificate within 10 days.
 5. After the registration, the enterprise must operate its business under control of the sector concerned, as stipulated in the rules and regulations issued by the concerned sector. Concerning the detail of managerial procedures, the concerned sector shall lay down a specific criterion, condition and regulation.

III. Rules on the issuance of shares.

1. After receiving the patent and registration certificate, the concerned enterprise shall ask for an authorization from the trading sector to make its own enterprise stamp within seven (7) days. When the stamp is completed it shall be declared to:
 - Trading sector
 - Customs sector
 - Concerned sector
 - Other state sectors that need it
2. After having its own stamp (seal), the enterprise shall issue its own shares within seven (7) days. The shares that are used for the business operation shall be transferred to the enterprise as the exclusive ownership. For example: if it is a vehicle, its number plate and registration certificate shall be transferred from individual ownership to the enterprises.

After issuing the shares, the respective enterprise shall have its own notebook recording its shareholders, and noting all of the detailed information stipulated in the share.

The value of the share paid up and not paid shall be recorded in detail, time line for paying up the share should be clearly stated, and claim it when it is due. In case of delay in paying up the share, interest as a fine should be determined in the articles of association of the enterprise concerned. any changes of the share such as share transferring and others shall be recorded in the notebook.

IV. Decentralization of enterprise registration

Persons with a purpose of applying for enterprise registration in various sectors shall lodge the application to the trading sector in accordance with the decentralization system as stipulated in the annex.

V. Some rules are to be implemented for enterprise registration

1. Before submitting an application of enterprise registration to the trading sector for consideration, the applicants shall have their enterprise establishment contract and certificate of asset ownership registered with the concerned agency (for partnership limited and public company, state joint venture, and co-operative enterprise).
2. If the enterprise is located in a region but its level of registration depends on the department of registration, the ministry of commerce shall pass the application to the regional authority and sector concerned for approval before having such enterprise registered.
3. In case that the enterprise's owner may not submit the application by himself, he may authorize another person to do it instead but there shall be a letter of authorization certified by the head of the village.

4. For currently operating enterprises, their registered capital indicated shall be equal to the account of the enterprises' owners as shown in the asset statements based on the following formula: account of enterprise's owner or enterprise's capital = the total asset (after deduction of depreciation) – liabilities (debt in business + debt out of business + debt to common fund + loan + saving accounts (its own capital) + other sources of capital).
5. Every document shall be printed in a form specified by the authority, clean without erasure and dirt and a clear and true statement.

VI. Responsibilities of applicants for information in the document.

Applicants for enterprise registration shall be responsible for the correction of information and documents informed before the law, particularly:

- The certification of ownership;
- The valuation of their fixed assets;
- The declaration of their bank account and other documents.

In case that the regional authority conduct a verification process and find out that one of the above statements is false, measures shall be taken against the applicants subject to the level of mistake committed.

VII. Implementation

Ministry of commerce authorizes department of registration in co-ordination with agency concerned and regional authority to gradually implement the procedure of registration with a view to ensuring the efficiency of the work.

Ministry of commerce shall inform the practical work to the agency concerned in provinces, municipality and special zone lateral.

Vientiane, 06/08/96
Ministry of Commerce

(Seal and signature)
Sompradith Vorasane

DECENTALISATION IN MANAGING BUSINESS REGISTRATION

A. Management of Registration at the Level of Ministry of Commerce

1. Trading Sector:

- Import-export enterprise
- Export enterprise
- Import enterprise
- Service enterprise

2. Transportation Sector:

- Domestic transport enterprise (road, water, air, sea and railway)
- International transport enterprise (road, water, air, sea and railway)
- Vehicle repairing factory (Large scale), and
- Vehicle assembly factory (after an approval of Ministry of Industry and Handicrafts)
- Foreign investment (after an approval of Committee of Planning and Co-operation).

3. Building and Urban Design Sector:

- First class enterprise, total capital required 50 million kip onwards, deposit at the bank 1.5 million kip, specialist with at least 5 year working experience on construction and design, unlimited area undertaken for construction project.
- Second class enterprise, total capital required 10 to 50 million kip, deposit at the bank 600.000 kip, specialist with at least four (4) years working experience on construction, size of the construction site undertaken is up to 1300m².
- Research enterprise on buildings and urban design.

4. Communication Sector:

- Bridge-road construction enterprise
- Bridge-road maintaining and repairing enterprise
- Research and design communication enterprise

5. Post and Telecommunication Sector:

- Post enterprise
- Telecommunication enterprise

6. Industry - Handicraft Sector:

- Factories (every category: 1, 2, 3) approved by Foreign Investment Management Committee (FIMC).
- Highly polluted domestic or foreign investment (third category).

7. Tourism Sector:

- International tourism enterprise
- Domestic Tourism enterprise

8. Pharmacy Sector (Pharmaceutical Sector):

- Medicine and medical equipment import-export enterprise
- First / second class chemist shop placing purchase order from the above-mentioned enterprise.
- Medium and large scale retail and wholesale shop selling medicine
- Pharmaceutical factory.

9. Clinic Sector

- Diagnosis room and clinic with specialists graduated from university and a complete set of modern medical equipment.
- Diagnosis room and clinic with high level of medical specialist and a complete set of medical equipment.

10. Foreign Investment Sector:

- Foreign investment in various sectors in Lao PDR.

11. Media Sector:

- Production enterprise: filming, cutting, and developing film and videotape, song recording, poster printing (large scale).

12. Publishing Sector:

- Printing house, printing shop (class 1, 2), capital required 50 million kip onwards.
- Computer service center, class 1-2, capital required 50 million kip onwards.
- Photocopy service shop, class 1-2, capital required 50 million kip onwards.
- Handicraft printing shop with silk curtain, class 1-2, capital required 50 million kip onwards.
- Paper Factory, class 1-2, capital required 50 million kip onwards.
- Bookshop.
- Library.

13. Art Performing Sector:

- Cultural production enterprise.
- Cultural product distribution enterprise.

14. Education Sector:

- Vocational school (at certificate level).
- Polytechnic school (at certificate level).

15. Cultivation and Agricultural Promotion Sector:

- General cultivation enterprise (approved by Ministry)
- Agricultural promotion enterprise (approved by Ministry).

16. Livestock and Veterinary Sector:

- Livestock enterprise (approved by ministry).
- Vaccine Factory (approved by ministry).

17. Forestry Sector:

- Wood and forestry product exploitation enterprise
- Wood sowing and chopping enterprise.
- Plant breeding enterprise.

18. Irrigation Sector:

- Irrigation construction enterprise
- Research and design irrigation enterprise.

19. Commercial Bank Sector:

- Jewelry enterprise.
- Foreign exchange enterprise.

20. Labor and Social Welfare Sector:

- Employment service enterprise.
- Short term professional training center.

B. Management of Registration at the Level of Trade Services in Provinces, Municipality and Special Zone

1. Trading Sector:

- Enterprise's branch
- Wholesale
- Super Market (Retail)
- Petroleum service station

2. Transportation Sector:

- Bus service enterprise (capital city)
- Passenger transporting enterprise
- Taxi service enterprise
- Tuk tuk, Jumbo and Tricycle service enterprise
- Vehicle repairing enterprise (small scale)

3. Building and Urban Design Sector:

- Construction and urban design enterprise, Class 3, total capital required 10 million kip downwards, bank deposit 300,000 kip, civil engineer with at least three (3) year working experience, construction site undertaken 260m² at maximum.

4. Industrial Sector:

- Domestic investment (factory category 1 and 2)

5. Tourism Sector:

- Hotel and guest house
- Restaurant and entertainment venue
- Resort

6. Medical Sector:

- Pharmacy (Chemist Shop)

7. Media Sector:

- Production enterprise: (filming, song recording, postcard printing (small size))
- Distribution shop: movie film, video cassette and postcard (small size)

8. Publishing Sector:

- Printing shop and factory, Class 3-7, capital 50 million kip downwards
- Computer service center, Class 3-7, capital 50 million kip downwards
- Photocopy service shop, Class 3-7, capital 50 million kip downwards
- Handicraft printing shop with silk curtain, Class 3-7, Capital 50 million kip downwards
- Paper factory, Class 3-7, Capital 50 million kip downwards.
- Advertising enterprise, domestic and foreign investment.

9. Art Performing Sector:

- Traditional show (legend)
- Verbal play based on legend and story
- Circus
- Music

10. Education Sector:

- Nursery school
- Kindergarten
- Primary school
- Junior high school
- High school
- Professional training center
- Vocational school

11. Cultivation and Agricultural Promotion Sector:

- General cultivation approved by ministry, but being managed by the authorities of provinces, municipality and special zone.
- Agricultural promotion center, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.

12. Livestock and Veterinary Sector:

- Livestock enterprise, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.
- Vaccine factory, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.

13. Forestry Sector:

- Wood and forestry products exploitation enterprise, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.
- Saw mill and cutting mill, approved by the ministry, but being managed by the authorities of provinces, municipality and special zone.
- Plant breeding enterprise, approved by the ministry, but being managed by the authorities of provinces, municipality and special zone.

14. Irrigation Sector:

- Irrigation construction enterprise, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.
- Research and design irrigation enterprise, approved by ministry, but being managed by the authorities of provinces, municipality and special zone.

C. Management and Registration at the Level of District Trade Office

1. Trading Sector:

- Retail shop