DECISION

OF THE CHAIRMAN OF THE COMMITTEE FOR INVESTMENT MANAGEMENT, FOREIGN COOPERATION AND DOMESTIC INVESTMENT ON THE RULES FOR CONSIDERATION AND APPROVAL OF FOREIGN INVESTMENT PROJECTS IN THE LAO PDR.

- Pursuant to the Law on the Promotion and Management of Foreign Investment in Lao PDR No. 01/94, dated 14/03/1994;
- Pursuant to the decision of the Government Meeting on 01/02/2002;

To detail provisions with respect to the Decree No.46/PM, dated 23 March 2001, regarding the implementation of the Law on the Promotion and Management of Foreign Investment in Lao PDR and in accordance with the mandate of the Committee for Investment Management, Foreign Cooperation and Domestic Investment (CIC);

The Chairman of the Committee for Investment Management, Foreign Cooperation and Domestic Investment

DECIDES:

CHAPTER I

CONSIDERATION AND APPROVAL OF FOREIGN INVESTMENT PROJECTS

Article 1: Investment documentation

A Foreign Investor who intends to invest in the Lao PDR must prepare an appropriate Investment documentation following a form provided by the Department for the Promotion and Management of Domestic and Foreign Investment (formerly "FMC"). An Investment Application form as well as other information regarding investment in the Lao PDR can be obtained for free from the Investment Promotion Division, Department for the Promotion and Management of Domestic and Foreign Investment (DDFI) at the following address:
Luangprabang Road, Sihanouk Village, Sikhottabong District, Vientiane Municipality, 01001, Lao PDR Tel. (856 21) 222690 or 229568; Fax: (856 21) 215491 Email: limc@laotel.com

Article 2: Documentation to be provided in the Investment Application Files:

1. Investment Application form correctly filled out.
2. Articles of association of the company.
4. Explanatory statement on the economic and technical aspects of the planned investment
5. Statement certifying legal and financial status of the company.

Article 3: Submission of Investment Application Files:

Foreign Investment Application Files shall be submitted at no costs to the Investment Promotion Division. After verifying that the Investment Application File is complete and correctly filled out, the Investment Promotion Division issues within 3 (three) working days a certificate attesting reception and completeness of the Investment Application File to the Investor, then forwards the Investment Application File to the Screening Division for further evaluation.

Article 4: Procedures for Consideration and Approval of Investment Projects

4.1 Consideration and Approval of Investment Projects listed under “Promoted Investment Activities” (see Appendix 1, List 1: Activities Promoted for Foreign Investment)

a. Projects with an investment value of less than USS 1 (one) million

DOFI submits the Investment Application File to the CIC, which, with the participation of the concerned ministries, sectors and provincial authorities (case by case according to the type of investment project) will decide, within 15 (fifteen) working days from the date of issuing the certificate attesting receipt and completeness of the Investment Application File whether to approve or to reject the investment project.

b. Projects with an investment value between USS 1 (one) million and less than USS 5 (five) 3 million

DOFI forwards, within 3 (three) working days, the Investment Application File to the concerned ministries, sectors and provincial authorities for their technical opinions. The concerned ministries, sectors and provincial authorities shall provide, within 20 (twenty) working days their written opinions to DDFI in the context of their respective responsibilities. Upon the expiry of this deadline, if no written opinion has been provided, the concerned ministries, sectors and provincial authorities shall be deemed to tacitly approve the Investment project. The DDFI shall consider the technical opinions received on behalf of the concerned ministries, sectors and provincial authorities as the basis for its recommendations to the CIC, which will decide, within 45 (Forty five) working days from the date of issuing the certificate
attesting receipt and completeness of Investment Application File, whether to approve or to reject the investment project.

c. Projects with an investment value between USS 5 ( five ) million and less than USS ( ten ) 10 million.

The DDFI forwards, within 3 ( three ) working days, the Investment Application File to the concerned ministries, sectors and provincial authorities for their technical opinions. The concerned ministries, sectors and provincial authorities shall provide within 29 ( twenty ) working days their written opinions to the DDFI in the context of their respective responsibilities. Upon the expiry of this deadline, if no written opinion has been provided, the concerned ministries, sectors and provincial authorities shall be deemed to tacitly approve the Investment project. The DDFI shall consider the technical opinions received on behalf of the concerned ministries, sectors and provincial authorities as the basis for its recommendations to the CIC, which will decide, within 60 ( sixty ) working days from the date of issuing the certificate attesting receipt and completeness of Investment Application File, whether to approve or to reject the investment project.

4.2 Consideration and Approval of Investment Projects listed under “ Promoted Investment Activities With Some Restrictions ” ( see appendix 12: List 2: Activities Open For Foreign Investment With Some Restrictions )

The DDFI forwards, within 3 ( three ) working days, the Investment Application File to the concerned ministries, sectors and provincial authorities for their technical opinions. The concerned ministries, sectors and provincial authorities shall provide within 29 ( twenty ) working days their written opinions to the DDFI in the context of their respective responsibilities. Upon the expiry of this deadline, if no written opinion has been provided, the concerned ministries, sectors and provincial authorities shall be deemed to tacitly approve the Investment project. The DDFI shall consider the technical opinions received on behalf of the concerned ministries, sectors and provincial authorities as the basis for its recommendations to the CIC, which will decide, within 60 ( sixty ) working days from the date of issuing the certificate attesting receipt and completeness of Investment Application File, whether to approve or to reject the investment project.

4.3 Approval of Investment Projects with an investment value of USS 10 ( ten ) million and more or of Investment Projects requesting a concession right in the Lao PDR or for a concession right related to natural resources:

The DDFI forwards, within 3 ( three ) working days, the Investment Application File to the concerned ministries, sectors and provincial authorities for their technical opinions. The concerned ministries, sectors and provincial authorities shall provide within 29 ( twenty ) working days their written opinions to the DDFI in the context of their respective responsibilities. Upon the expiry of this deadline, if no written opinion has been provided, the concerned ministries, sectors and provincial authorities shall be deemed to tacitly approve the Investment project. Following the receipt of technical opinions from the concerned sectors and provincial authorities, the DDFI submits, within 10 ( ten ) working days, to the CIC its recommendations or consideration and approval in principle, regarding...
the proposed investment project. If CIC grants an approval in principle, the DDFI submits, within 10 (thirty) working days, CIC's decision to the Government for consideration. The DDFI shall inform the investor in writing within 3 (three) working days. The following procedures should then be taken:

- For Investment Projects listed under the List of Activities Promoted for Foreign Investment, CIC shall issue an Investment license following the procedures as referred to in Article 6 of this Decision.
- For projects related to a request for a concession right in Lao PDR or a concession related to natural resources, CIC shall issue an invitation letter to the Investor within 3 (three) working days to discuss the relevant documents such as: Draft Agreements, Memorandum of Understanding (MOU). The Investor is not requested to provide Bank Guarantee. The DDFI submits them to the CIC for consideration and asking for negotiation with the Investor. After the negotiation, CIC reports to the Government and asks for approval and authorisation to sign the documents. Once signed, these documents shall be used as reference for further implementation of the investment project.

The consideration and approval of hydroelectric, mining projects, projects involving a request for lease or land concession shall comply with the Electricity Law, Mining Law and Land Law.

**Article 5 : Approval for the Establishment of a Representative Office.**

Prospective Foreign Investors who intends first to establish a Representative Office in the Lao PDR must submit an Application File for the establishment of a Representative Office to the DDFI for consideration according to the regulations and notify the investor within 15 (fifteen) working days.

**Article 6 : Issuance of Investment Licenses**

In order to issue an Investment License, the following documents are needed:
1. Notification from the Prime Minister’s Office or Minutes of CIC Meeting
2. Statement certifying the location of Investment Project (to be provided with Lease Agreement or Certificate of ownership)
3. Investment Application form

The CIC shall issue an Investment License within 5 (five) working days from the date of receipt of the above-mentioned complete documents.

**Article 7 : Assignment of Investment License**

Upon issuing an Investment License, the DDFI must notify the Investor in writing within 3 (three) working days. If the Investor has been informed 3 (three) times at the period of 60 (sixty) days, but did not come to collect the license or if the Investor did not respond in writing to the DDFI, the CIC considers the approval is deemed to be cancelled and the Investment License will automatically be repealed.

---

**CHAPTER II**

**APPROVAL OF EXTENSION OF ACTIVITIES OR ESTABLISHMENT**
OF BRANCHES OF FOREIGN INVESTMENT COMPANIES
LICENSED IN LAO PDR

Article 8: Conditions for consideration of extension of activities or establishment of branches of Foreign Investment Companies within the Lao PDR.

The following documents must be submitted in order to extend investment activities or to establish branches within the Lao PDR:
1. Application Form for an extension of activities or the establishment of branches.
2. Explanatory statement on the economic and technical aspects of the planned investment or Business plan.
3. Copies of Investment license, Business license and Tax license.
4. Resolution of the Board of Directors or Shareholders Meeting.
5. Statement certifying the transferring of capital into Lao PDR.
6. Technical comments from concerned provincial authorities (in the case of the establishment of branches).

8.1 In case where the Company applies for extension of activities under the list of promoted activities and related to the previous licensed activities, the DDFI screens and submits the new investment proposal to the CIC for consideration within 15 (fifteen) working days.

8.2 In case where the Company applies for extension of activities under the list of open activities but with some restrictions and related to the previous licensed activities, the DDFI must request technical comments from concerned ministries and sectors. Concerned ministries and sectors must send their written technical comments to the DDFI within 20 (twenty) working days. Upon the expiry of this deadline, if no written comments have been provided, the concerned ministries, sectors and provincial authorities shall be deemed to approve the investment proposal. The DDFI then submits its recommendation to the CIC for consideration.

8.3 The extension of activities of the company shall imply an increase in the registered capital according to the Business plan covering new activities.

8.4 Following the receipt of a new Investment License, the company must again apply to the concerned sector for a business license within 90 (ninety) working days.

Article 2: The establishment of branches of Foreign Investment Companies licensed in Lao PDR.

The Company which intends to establish a branch in another part of the country must prepare a documentation as specified in Article 8, and submit it to the DOFI for consideration. A decision shall be taken within 10 (ten) working days. The provision of the establishment of a branch of a Banking Institution is subject to the Regulations on the Bank of Lao PDR.

CHAPTER III
EXTENSION OF TERM OF REPRESENTATIVE OFFICE IN LAO PDR FOR FOREIGN COMPANIES
CHAPTER IV
FINIAL PROVISIONS

Article 11:
The DDFI, Secretariat of the CIC and concerned Government institutions are assigned to successfully implement this Decision.

Article 12:
This Decision on the Rules for Approval of Foreign Investment projects in the Lao PDR is effective from the date of signature onward. Any Decision which is inconsistent to this Decision shall be repealed and replaced by this Decision.

CHAIRMAN
OF THE COMMITTEE FOR PLANNING AND COOPERATION

CHAIRMAN
OF THE COMMITTEE FOR INVESTMENT MANAGEMENT,
FOREIGN COOPERATION AND DOMESTIC INVESTMENT

Thongloun SISOLITHI