

LAO PDR
Schedule of Specific Commitments

LAO PDR – SCHEDULE OF SPECIFIC COMMITMENTS

For the 1st Package of Commitments under ASEAN – India Agreement on Trade in Services

Modes of Supply: 1) Cross-border supply 2) Consumption aboard 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitation on Market Access	Limitation on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>(3) Commercial presence of foreign service suppliers can be in the following form:</p> <ul style="list-style-type: none"> - A joint venture with one or more domestic Lao investors, - A wholly foreign-owned enterprise¹ - A branch or representative office <p>The commercial presence of foreign service supplier shall be subject to approval of the concerned competent authority and of licensing by the Foreign Investment Management committee of the Lao PDR.</p> <p>The joint venture is established and registered under the laws and regulations of the Lao PDR. It is jointly owned and operated by one or more legal foreign investors/service suppliers and by one or more legal domestic Lao investors.</p> <p>The activities and relationship of its parties shall be governed by the contract between its parties and the Joint Venture’s Articles of Association, in accordance with the laws and regulations of the Lao PDR. Foreign investors/service suppliers in</p>	<p>(3) Foreign service suppliers in the Lao PDR may lease land within the Lao PDR and transfer their leasehold interest; and they may own improvements on land and other moveable property and transfer those ownership interest.</p> <p>Foreign enterprises subject to the Law on Promotion and Management of Foreign Investment in the Lao PDR shall pay an annual profit tax, calculated in accordance with the provisions of the applicable laws and regulations of the Lao PDR.</p> <p>Other Lao taxes, duties and fees shall also be payable in accordance with the applicable laws and regulations of the Lao PDR.</p>	

¹ 100% foreign invested Companies

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	<p>a joint venture must contribute a minimum portion 30% of the total equity investment in that venture.</p> <p>The wholly foreign-owned enterprise is a foreign investment/service supplier registered under the laws and regulations of the Lao PDR. By one or more legal foreign investors without the participation of legal domestic Lao investors. The enterprise established in the Lao PDR may be either a new company or a branch or representative office of a foreign company. The incorporation and registration of a foreign investment shall be in conformity with the Enterprise/Business Law of the Lao PDR. The terms of operations of an enterprise with foreign owned capital and of a business cooperation contract shall be specified in the investment license of each project in accordance with the laws and regulations of the Lao PDR.</p> <p>The branch or representative office of a foreign company shall have articles of Association which shall be consistent with the laws and regulations and the Business Law of the Lao PDR and subject to the approval of the Foreign Investment Management Committee of the Lao PDR.</p>		

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	<p>(4) Foreigners who work in Lao PDR shall be subject to the law on Promotion and Management of Foreign Investment in the Lao PDR and the regulations on immigration.</p> <p>However, foreign enterprises have the right to employ skilled and expert foreign personnel when necessary and with the approval of the competent authority of the Government of the Lao PDR.</p> <p>Facilitation for the entry into, travel within, stay within, and exit from the Lao territory of foreign investors/service suppliers, their foreign personnel, and the immediate family members of those investors, service suppliers and those personnel will be granted by the Government of the Lao PDR. All such persons are subject to and must obey the above mentioned laws and related regulations while they are on the Lao territory.</p> <p>Foreign investors/service suppliers have an obligation to upgrade the skills of their Lao employees, through such techniques as training in the Lao PDR or abroad.</p>	<p>(4) Foreign service suppliers and their foreign personnel working within the Lao PDR shall pay to the Lao Government personal income tax, at a flat rate of ten percent (10%) of their income earned in the Lao PDR.</p>	

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II. SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional services			
Accounting, auditing and bookkeeping services (CPC 862)	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) Foreign service suppliers may acquire a license to practice as Certified Public Accountants or Accounting Consultants in Lao PDR provided that an agreement or contract is signed with their countries on such issue.</p> <p>Nevertheless, on a temporary basis, the Professional Accountants Body can authorise foreigners to practice as Certified Public Accountants or Accounting Consultants if they belong to countries, which are members of the International Accounting Standards Committee. To apply for licence in Lao PDR, foreign professional accountants shall acquire certification based on the following conditions:</p> <p>a) Equivalence of diploma as provided for Lao professional accountants. Such certificates shall be issued with the approval of the equivalence Qualification Commission.</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) Unbound</p>	

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	<p>b) Employment of assistants of Lao nationality in percentage not less than the one provided by the professional sector.</p> <p>c) Commitment to provide necessary and continuous training to employees of Lao nationality.</p> <p>d) Morality conditions required by the professional accountant's body board.</p> <p>e) Certification of financial statements by staff of Lao nationality.</p> <p>In addition foreign service suppliers shall implement rights and obligations similarly to members of the professional accountant's body, but they may not become members of such body.</p> <p>- For auditing services: foreign suppliers may audit only private enterprises</p> <p>All accounting and bookkeeping must be done by Lao national certified accountant.</p> <p>(4) Unbound</p>	<p>(4) Unbound</p>	

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(b) Engineering Services (CPC 8672)	(1) None	(1) None	
(c) Integrated engineering services	(2) None	(2) None	
- Integrated engineering services for Transportation infrastructure turnkey Projects (CPC 86731)	(3) a) As specified in the horizontal section b) not applied for public funded and foreign granted projects.	(3) Unbound	
- Integration engineering and project management services (CPC 86732)	(4) Unbound except as indicated in the horizontal section	(4) Unbound except as indicated in the horizontal section	
- Integrated engineering services for the construction services of manufacturing turnkey projects(CPC 86733)	(1) None	(1) None	
	(2) None	(2) None	
	(3) Joint venture with Lao services suppliers is required and foreign equity participation is limited to 2/3	(3) As indicated in the horizontal section	
	(4) As indicated in the horizontal section	(4) As indicated in the horizontal section	
B. Computer and Related Services	(1) None	(1) None	
Consultancy services related to the installation of computer hardware (CPC 841)	(2) None	(2) None	
Software implementation services (CPC 842)	(3) As per specified in the horizontal commitments	(3) Same as mentioned in Market Access	
Data base services (CPC 844)	(4) This has to be inconsistence with the Labour Law and Law on the Promotion and Management or Foreign Investment	(4) Same as mentioned in Market Access and in Law on Taxation	

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Data processing services, included sensitive data and for non-commercial purpose (CPC 843) Maintenance and repair services of computer (Part of CPC 84500)	(1) None (2) None (3) As per specified in the horizontal commitments (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) Same as mentioned in Market Access (4) Unbound, except as indicated in the horizontal section	
2. COMMUNICATION SERVICES			
C. Telecommunication Services The following services can be supplied only on a facilities basis, for public use, with regard to local and national long-distance services (a) Voice telecom services (CPC 7521) (e) Telegraph services (CPC 7522) (f) Facsimile services (CPC 7529)	(1) None (2) None (3) As per specified in the horizontal commitments (4) This has to be inconsistency with the Labour Law and Law on the Promotion and Management of Foreign Investment	(1) None (2) None (3) Same as mentioned in Market Access (4) Same as mentioned in Market Access and in Law on Taxation	
(d) Telex services (CPC 75233**) (h) Electronic-mail (CPC 75233**) (i) Voice mail (CPC 75233**)	(1) None (2) None (3) Joint venture with Lao services providers is required and only through acquisition of existing operators	(1) None (2) Unbound (3) Unbound, except as indicated in the horizontal section	

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(J) Online information and data base retrieval (CPC 7523**)	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
Public pay phone services (CPC 75211)	(1) None	(1) None	
Electronic message and information services (CPC 75232)	(2) None	(2) None	
	(3) Joint venture with Lao services supplier is required	(3) Unbound	
	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
Construction Work for Buildings (CPC 512)	(1) None	(1) None	
Construction Work for Civil Engineering (CPC 513)	(2) None	(2) None	
Assembly and Erection of Prefabricated Constructions (CPC 514)	(3) As per specified in the horizontal commitments	(3) Same as mentioned in Market Access	
Installation Work (CPC 516)	(4) This has to be in consistence with the Labour Law and Law on the Promotion and management of the Foreign Investment.	(4) Same as mentioned in Market Access and in Law on Taxation	
Building Completion and Finishing Work (CPC 517)			
Pre-erection Work at Construction Site (CPC 511)	(1) None	(1) None	
Special Trade Construction (CPC 515)	(2) None	(2) None	
	(3) As per specified in the horizontal commitments	(3) Same as mentioned in Market Access	

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Renting Services Related Equipment for Construction or Demolition of Building or Civil Engineering Works with Operator (CPC 518)	(4) Unbound, except intra cooperate transfer and as per conditions in the horizontal sector	(4) Same as mentioned in Market Access and in Law on Taxation	
4. EDUCATION SERVICES			
<ul style="list-style-type: none"> - The education curriculum and contents must be approved by Ministry of Education of Lao PDR - With respect to B and C below, the commitment cover only in technical, natural sciences and information communication technology and computing, business administration and business studies, economics, accounting, international Law, and language training fields. - The scope of private education services only fully-privately funded services. 			
Private Education Services A. Secondary education services - Technical and Vocational training (Part of CPC 922) B. Higher education services (CPC 923) C. Adult education services (CPC 924) D. Other education services Short term foreign language training (Part of CPC 929)	(1) None (2) None (3) As per specified in the horizontal section and subject to economic need tests (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section	

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5. ENVIRONMENT SERVICES			
<ul style="list-style-type: none"> - The scope of commitments extended to services in Vientiane Capital only. - Publicly funded services are excluded 			
Sewage services (CPC 9401)	(1) None	(1) None	
Refuse disposal service (CPC 9402)	(2) None	(2) None	
Sanitation and similar services (CPC 9403)	(3) As specified in horizontal section	(3) Unbound, except as indicated in horizontal section	
Cleaning of exhaust gases (Part of CPC 9404)	(4) Unbound, except as indicated in horizontal section	(4) Unbound, except as indicated in horizontal section	
Noise abatement services (Part of CPC 9405)			
Nature and Landscape Protection Services (CPC 9406)			
6. TOURISM AND TRAVEL RELATED SERVICES			
(a) Hotel lodging services, with 3 starts or more (part of CPC 641)	(1) None	(1) None	
	(2) None	(2) None	
	(3) As specified in horizontal section	(3) Unbound	
	(4) Unbound, except for intra-cooperate transferees of managers and subject to approval of the competent authority of Lao PDR	(4) Unbound, except as indicated in horizontal section	

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(b) Meal serving services with full restaurant service (CPC 64210) (c) Beverage services without entertainment (CPC 64310)	(1) None (2) None (3) As specified in horizontal section (4) Unbound, except for intra-cooperate transferees of managers and subject to approval of the competent authority of Lao PDR	(1) None (2) None (3) Unbound, except as indicated in horizontal section (4) Unbound, except as indicated in horizontal section	
(d) Travel agencies services, in-bound services only (Part of CPC 74710)	(1) None (2) None (3) The following requirements are applied: - foreign investment shall be as a travel agency - a joint venture with one or more Lao services suppliers - foreign equity participation limited to 70%. - in compliance with the Laws and regulations of Lao PDR (4) Unbound, except for managers and subject to approval by the competent authority of Lao PDR	(1) None (2) None (3) Unbound (4) Unbound, except as indicated in horizontal section	

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7. FINANCIAL SERVICES, EXCLUDING INSURANCE			
Horizontal Commitments Applicable to the Financial Services Sector Financial institutions in Lao PDR must adopt a specific legal form.			
B. Banking and Other Financial Services	(1) None	(1) None	
1. Acceptance of deposits and other repayable funds from the public (CPC 81115 – 81119)	(2) None (3) Unbound except for commercial banks: Refer to Commercial Banks Law (4) Unbound, except as indicated in the horizontal commitments	(2) None (3) Unbound except for Commercial Banks (4) Unbound, except as indicated in the horizontal commitments	
2. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction (8113)	(1) None (2) None (3) Unbound except for commercial banks. (4) Unbound, except for the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in	(1) None (2) None (3) Unbound except for Commercial Banks (4) Unbound, except for the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in	

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3. All payment and money transmission services (CPC 81339**)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal commitments	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal commitments	
4. Guarantees and commitments (CPC 81199**);	(1) None (2) Unbound unless it is approved by Bank of the Lao PDR (3) Unbound unless it is approved by Bank of the Lao PDR (4) Unbound, except the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in	(1) None (2) Unbound unless it is approved by Bank of the Lao PDR (3) Unbound unless it is approved by Bank of the Lao PDR (4) Unbound, except the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in	