

**LAO PDR**

**Schedule of Specific Commitments**

## LAO PDR – SCHEDULE OF SPECIFIC COMMITMENTS

Consolidated Offer for the 3rd Package of Commitments under ASEAN - China FTA 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
<b>I. HORIZONTAL COMMITMENTS</b>			
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>(1) Borrowing from abroad by banks and enterprises shall be approved by the Bank of the Lao PDR.</p> <p>(2) A resident of Lao PDR who intends to invest directly or indirectly in a foreign country shall be approved by the concerned authorized organizations. The transfer of fund to be invested abroad shall be approved by the Bank of the Lao PDR.</p> <p>Bringing out of the Lao PDR the foreign currency more than 2,000 US\$ shall be approved by the Bank of the Lao PDR.</p> <p>(3) Commercial presence of foreign service suppliers can be in the following form:</p> <ul style="list-style-type: none"> <li>- A joint venture with one or more domestic Lao investors,</li> <li>- A wholly foreign-owned enterprise<sup>1</sup></li> <li>- A branch or representative office</li> </ul> <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</p>	<p>(1) As indicated in the market access column.</p> <p>(2) As indicated in the market access column.</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</p>	

<sup>1</sup> 100% foreign invested Companies

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	<p>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.</p> <p>Foreign investors/service suppliers in a joint venture must contribute a minimum portion 30% of the total equity investment in that venture. 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</p>	<p>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>	

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	<p>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> <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>(4) Foreign service suppliers and their foreign personnel working within the Lao PDR shall pay to the Lao Government personal income tax, which subject to a uniformed progressive income tax rates as indicated in the amended Tax Law No. 05/NA year 2012.</p>	

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	<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. 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>		
<b>II. SECTOR-SPECIFIC COMMITMENTS</b>			
<b>1. BUSINESS SERVICES</b>			
A. Professional Services	(1) None	(1) None	
(b) Architectural Services (CPC 8671)	(2) None	(2) None	
	(3) As specified in the horizontal section	(3) As specified in the horizontal section	
	(4) As specified in the horizontal section	(4) As specified in the horizontal section	

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(c) Engineering services (CPC 8672)  (d) Integrated engineering services  - Integrated engineering services for transportation infrastructure turnkey projects (CPC 86731)  - Integrated engineering and project management services (CPC 86732)        - Integrated engineering services for construction of manufacturing turnkey projects (CPC 86733)	(1) None	(1) None	
	(2) None	(2) None	
	(3) a) As specified in the horizontal section b) Not applied for public funded and foreign granted project	(3) Unbound	
	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
	(1) None	(1) None	
	(2) None	(2) None	
	(3) Joint venture with Lao services Suppliers is required and foreign equity Participation limited 2/3.	(3) As indicated in the horizontal section	
	(4) As indicated in the horizontal section	(4) As indicated in the horizontal section	

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(e) Urban Planning and landscape Architectural services  - Urban planning services (CPC 86741)  - Landscape architectural Services (CPC 86742)	(1) None  (2) None  (3) a) As specified in the horizontal section b) Not applied for public funded and foreign granted project  (4) Unbound, except as indicated in the horizontal section	(1) None  (2) None  (3) Unbound, except as indicated in the horizontal section  (4) Unbound, except as indicated in the horizontal section	
(f) Computer and related services  - Consultancy services related to the installation of computer hardware (CPC 841)  - Software implementation services (CPC 842)  - Database services (CPC 844)	(1) None  (2) None  (3) As specified in the horizontal section  (4) This has to be in consistence with the Labour Law and Law on the Promotion And Management of the Foreign Investment	(1) None  (2) None  (3) Same as mention in market access  (4) Same as mention in market access and in Law on taxation	
- Data processing services, Excluded sensitive data and for non-commercial purpose (CPC 843)  - Other: Maintenance and repair services of Computer (Part of CPC 84500)	(1) None  (2) None  (3) As specified in the horizontal commitments  (4) Unbound, except as indicated in the horizontal section	(1) None  (2) None  (3) Same as mention in market access  (4) Unbound, except as indicated in the horizontal section	

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(h) Research and development services  - Research and experimental development services on natural sciences and engineering (CPC 851)  - Research and experimental development services on social sciences and humanities (CPC 852)  - Interdisciplinary research and experimental development services (CPC 853)	(1) None  (2) None  (3) Joint venture with Lao services supplier is required  (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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<b>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b>			
A. Pre-erection work at construction site (CPC 511)	(1) Unbound	(1) Unbound	
B. General construction work for buildings (CPC 512)	(2) None	(2) None	
C. General construction work for civil engineering (CPC 513)	(3) Foreign equity participation limited to 70%	(3) Unbound, except as indicated in the horizontal commitment	
D. Assembly and erection of prefabricated constructions (CPC 514)	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
E. Special trade construction (CPC 515)			
F. Installation work (CPC 516)			
G. Building completion and finishing work (CPC 517)			
H. Rental services related to equipment for construction or demolition of building or civil engineering works, with operator (CPC 518)			

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<b>5. PRIVATE EDUCATIONAL SERVICES</b>			
The education curriculum and contents must be approved by the Ministry of Education of Lao PDR			
A. Secondary education services (part of CPC 922)	(1) Unbound	(1) Unbound	
B. Higher education services <sup>2</sup> (part of CPC 923)	(2) None	(2) None	
C. Adult education <sup>2</sup> (part of CPC 924)	(3) Foreign equity participation limited to 51%.	(3) Directors must be qualified teachers who are Lao PDR nationals	
D. Other education services: - Short term foreign language training only (part of CPC 929)	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
<b>6. ENVIRONMENTAL SERVICES<sup>3</sup></b>			
Services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators			
A. Sewage Services (CPC 9401)	(1) Unbound, except related consulting services	(1) Unbound, except related consulting services	
B. Refuse Disposal Services (CPC 9402)	(2) None	(2) None	
C. Sanitation and Similar Services (CPC 9403)	(3) Foreign equity participation limited to 70%	(3) None	
	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	

<sup>2</sup> The commitments cover only technical, natural sciences and technology, business administration and business studies, economics, accounting, international law and language training fields

<sup>3</sup> Environmental services exclude the provision of water for human use, including water collection, purification and distribution through mains

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<b>7. FINANCIAL SERVICES</b>			
<b>A. Insurance</b> (life and non-life insurance services) <b>including reinsurance and retrocession</b> , (Excluding pension fund, broking and agency service)	(1) Unbound  (2) None, however, insurance contracts on individuals living and residing, on risks or goods/assets located and registered in Lao PDR shall be established only with authorized insurance companies in Lao PDR in accordance with Insurance Law of Lao PDR No.11/90.NA, dated 29 November 1990  (3) None, The authorized insurance companies in Lao PDR must have a legal entity operating in insurance business under a company forms: state enterprise, joint-venture company or private company (public company or limited company) and branches of foreign insurance companies in accordance with Insurance Law of Lao PDR No. 11/90.NA, dated 29 November 1990 and Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR. State enterprise, joint-venture company or private company (public company or limited company) and	(1) Unbound  (2) None, except specified in the Limitation on Market Access  (3) None, except specified in the Limitation on Market Access	

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	<p>branches of foreign insurance companies are required to acquire business and investment licenses from relevant authorities of Lao PDR (Ministry of Finance, Committee of Planning and Investment, Bank of Lao PDR) in accordance with relevant applicable law and regulations of Lao PDR.</p> <p>During the operation, the authorized insurance companies must comply with the relevant laws and regulations of Lao PDR.</p> <p>The authorized insurance companies must have a minimum registered capital and a guarantee in accordance with Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR.</p> <p>The guarantee must be deposited with the banks resided in Lao PDR in accordance with Decree of the Prime Minister No. 01/PM, dated 23 January 1992 regarding implementation of Insurance Law of Lao PDR.</p> <p>Other than provided above, other requirements shall be applied in accordance with relevant laws and regulation of the Lao PDR.</p>		

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	(4) Unbound, except the following: (a) Only senior managers, experts are allowed. The entry and movement of the mentioned natural persons in Lao PDR shall be approved by relevant authorities of Lao PDR.	(4) Unbound, except Specified in the Limitation on Market Access. Foreign service suppliers and their foreign personnel working within the Lao PDR shall pay to the Lao Government the personal income tax, calculated in accordance with the provisions of the applicable Laws and regulations of the Lao PDR.	
<b>B. Banking and other financial services</b>			
c. Financial leasing (CPC 8112)	(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	
d. 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	
f. trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the	(1) None (2) None	(1) None (2) None	

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following: - money market instruments (cheques, bills, certificate of deposits, etc.) (CPC 81339**) - foreign exchange (CPC 81333) - derivative products incl., but not limited to, futures and options (CPC 81339**) - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc. (CPC 81339**) - transferable securities (CPC 81321*) - other negotiable instruments and financial assets. Incl. bullion (CPC 81339**)	(3) None, except for sub sectors such as derivative products incl., but not limited to, futures and options (CPC 81339**), transferable securities (CPC 81321*), until related Laws and regulations have been developed.  (4) Unbound, except as indicated in the horizontal commitments	(3) None, except for sub sectors such as derivative products incl., but not limited to, futures and options (CPC 81339**), transferable securities (CPC 81321*), until related Laws and regulations have been developed.  (4) Unbound, except as indicated in the horizontal commitments	