

# Lao People's Democratic Republic

## Law on Investment Promotion (2016)

*Unofficial translation*

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The year indicated in brackets after the title of the law refers to the year of publication in the Official Gazette or, when this is not available, the year of adoption of the law.

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# Law on Investment Promotion

Law No. 14/NA

## Part I. General provisions

### Article 1. Objectives

This Law defines principles, regulations and measures regarding the domestic and foreign investment promotion and administration in order to enable convenient, expeditious, transparent and proper investments, as protected by the Government, aiming to ensure the rights and benefits of investors, the state, collective and people, enabling the regional and international integration, contributing to the continuous growth of national socio-economic development in line with green direction and sustainability.

### Article 2. Investment Promotion

Investment promotion is the formulation of promotion policies and creation for a favorable investment climate for investment to enable investors to conduct their business operations in a convenient, expeditious, transparent, fair and lawful manner.

### Article 3. Definitions

Terms used in this Law shall have the following meanings:

#### **Article 4. Government policies on investment promotion**

The Government promotes investment in all economic sectors, both domestic and foreign, by formulating policies to create a favorable investment climate, including construction of infrastructure, providing necessary information, customs and tax policies, labor, and the rights to land use; access to finance, equal treatment, promoting awareness and protecting ownership regarding use rights, usufruct rights, inheritance rights, transfer rights and other rights as provided by law.

The Government promotes the investment in all sectors, business operations and in areas throughout the country except for areas and business operations which are considered detrimental to national security, the natural environment, at present and in long-term, public health and national culture.

The Government also provides special incentives for Government's prioritized sectors appropriately as set out in a separate regulation.

#### **Article 5. Principles of investment promotion**

The investment promotion shall follow the following principles:

#### **Article 6. Scope of Law Application**

This Law applies to investment of domestic and foreign natural persons and legal entities, investing and doing business in the Lao PDR and domestic investors for their overseas investments.

#### **Article 7. International cooperation**

The Government promotes foreign, regional and international cooperation in investment promotion by sharing lessons, information, technology and experiences in the promotion and management of investment, marketing, trade, sources of capital, compliance with international treaties and agreements to which Lao PDR is a party.

## **Part II. Incentives, supports and protection**

# for investment

## Chapter I. Investment incentives

### Article 8. Investment incentives

Investment incentives are as follows:

### Article 9. Investment incentives by business sector

Business sector granted incentives includes:

Investment in business sector to be granted incentives under this Article shall have a value of at least two hundred million Kip; or employed at least 30 Lao skilled labor or using fifty or more Lao national employees with employment contract of at least 1 year.

Small and medium size businesses with investment capital and number of labor less than figures set in third paragraph of this Article will receive incentives in according to relevant laws and regulation.

The Government shall determine the detailed list of activities according to promoted sectors.

### Article 10. Incentives by zone

Incentives by zone are defined into three zones:

The Government periodically determines the zones.

### Article 11. Profit tax incentives by business sector and by zone

Investors investing in sectors and zones defined in Articles 9 and 10 of this Law shall receive the following profit tax exemption:

The above exemption periods shall be counted from the year the investing enterprise generates business revenues. Upon expiration of above exemption periods, the enterprise shall follow to the Tax Law.

Concession business shall comply with relevant laws or according to the agreement.

The Government shall issue regulations and detailed procedures for implementation of profit tax exemption incentives as set out by law.

### Article 12. Value-Added Tax and duty incentives

In addition to profit tax incentive, investors investing in the Lao PDR will receive incentives of value-added tax and duty include:

1. Import of materials, equipment which may not be supplied or produced in the Lao PDR, to form the fixed assets and of machinery and vehicles directly used for production will receive duty exemption and

fixed assets, and of machinery and vehicles directly used for production will receive duty exemption and paying value-added tax at the rate of zero percent (0%); import of fuel, gas, lubricant, administrative vehicles and other materials shall comply with relevant laws;

Temporary import of machinery/vehicle shall comply with Tax Law.

2. Import of raw materials, equipment and parts to be used in the production for export shall be exempted from duty payment at the time of import and granted duty exemption at the time of export and pay value-added tax at the rate of zero percent (0%);

3. Use of domestic raw materials which are not natural resources for producing finished and semi-finished products for export shall pay value-added tax at the rate of zero percent (0%);

4. The Government shall issue the list of semi-finished products for export.

#### **Article 13. Access-to-finance incentive**

Investors shall receive access-to-finance incentives by being allowed to borrow from commercial banks and other financial institutions in the Lao PDR as well as overseas according to relevant laws.

#### **Article 14. Incentives for investment expansion and other tax, duty incentives**

Investors who re-invest their net profit for their additional operation or investment activities will receive the following incentives profit tax exemption for the next accounting year for one year based on the portion of profit re-invested for their additional operation or investment activities.

Investors suffering losses from business operation may carry such losses in the year to be deducted against the following fiscal year profit for three years subject to proper certification by the tax authority. Upon such period the remaining losses will not be allowed for deduction from the profit.

Expansion of investment and/or operation by investing additional capital will also receive incentives under this Law.

#### **Article 15. Exemption of rental and concession royalty of state land for investment per sector**

Investors investing in sectors as specified in Article 9 of this Law will receive exemption from rental or concession royalty of state land as follows:

#### **Article 16. Land-use-related incentive**

Investors in concession businesses in the Lao PDR will receive the following land-use-related incentive:

The Government shall set rules on the implementation of land-use-related incentives.

## **Chapter II. Investment supports**

#### **Article 17. Investment supports**

Investment supports are as follows:

#### **Article 18. Information incentive**

In order to ensure that the investors can quickly and timely receive accurate information on investment for investment decision making, it is required to establish investment information centers in all concerned one-stop-service offices.

The investment information centers collect and compile data on investment in order to build information networks, information provision and exchange, especially through websites, investment guide books, newsletters, brochures and other formats to interested people, embassies, Lao consular offices or Lao trade representative offices based in foreign countries.

#### **Article 19. Other supporting incentives**

Investors receive other supporting incentives as follows:

1. Be considered for Government's commendation in different forms as appropriate for investor that has fulfilled its tax obligations in a full and timely manner, contributing to the development of community, society, and has paid its attention to solve environmental issues, development of Lao labour skills as certified by relevant sector and local authorities;

2. receive facilitation for obtaining a stay permit and multi-entry business visa for investors according to

the relevant term of investment.

Foreign investors and their family, foreign technical staff, experts will be facilitated for their entry-exit of Lao PDR and their request for multiple-entry visa for maximum of five year per time.

3. If any additional special incentive is needed in certain sectors or zones, the Government shall propose to the Standing Committee of National Assembly or to National Assembly for consideration and approval.

The Government shall set rules on the implementation of other investment supporting incentives for investors.

#### **Article 20. Implementation of incentive granting**

Entities eligible for incentives and investment supports as set out in this Law may file their request to the One-Stop Service Office to obtain an investment incentive certificate.

#### **Article 21. Implementation of other incentive granting mechanism**

Relevant sector authorities and local administrations shall monitor and certify the contribution made by a business unit as per Article 19 point 1 of this Law so that the One-Stop Service Office may consider and propose to the Investment Promotion and Supervision Committee of their level for granting a commendation certificate or other incentive according to regulations.

## **Chapter III. Protection of investment**

#### **Article 22. Protection of Investment**

The State protects legitimate rights, interests and equality of all domestic and foreign parties of economy who invest under Lao PDR laws, treaties, agreements to which Lao PDR is a party.

#### **Article 23. Forms of Investment Protection**

The Government fully acknowledges and protects the lawful investment of investors against Government seizure, confiscation or nationalization by administrative means.

In the case that the Government has the needs to utilize the facilities for public interests, the investors shall be compensated with actual invested value at the prevailing market price at the time of transfer using payment methods as agreed by both sides.

#### **Article 24. Protection of Intellectual Property**

The Government acknowledges and protects the intellectual property of investors registered under the Law on Intellectual Property Rights of the Lao PDR, international treaties and agreements to which the Lao PDR is a party.

## **Part III. Investment activities**

#### **Article 25. Investment activities**

Investment activities refer to investment operation according to the forms, types of business, requirements, procedures, registered capital and capital importation.

## **Chapter I. Forms of investment**

#### **Article 26. Forms of investment**

Investment consists of the following forms:

The Government may participate in the equity of any concession business on a case-by-case basis as set out in relevant laws.

#### **Article 27. Wholly domestic or foreign-owned investment**

A wholly domestic or foreign-owned investment is an investment entirely owned by either domestic or foreign investors, and can be either a single investor or group of investors in the enterprise or project in the Lao PDR.

#### **Article 28. Joint venture between domestic and foreign investors**

A joint venture between domestic and foreign investors is a joint investment between domestic and foreign investors who conduct business operations, share ownership and establish a new legal entity under the laws of Lao PDR.

The organization and activities, management, rights and obligations of investors of the joint venture are defined in a joint venture agreement and in the article of association of the newly established legal entity.

Foreign investors in the joint venture shall contribute at least ten percent (10%) of the total capital.

#### **Article 29. Business Cooperation by Contract**

Business Cooperation by Contract is a joint business arrangement between domestic and foreign legal entities including public and private parties through a business cooperation contract according Lao PDR

laws and regulations for a certain period of time without need to establish a new legal entity or branch office in the Lao PDR. Such contract shall clearly determine rights, obligations and benefits of each of its parties mutually and towards the Government.

Domestic entity entering into a business cooperation contract shall inform the investment one-stop service office for approval and supervision according to regulations and subject to notarization by the relevant notary public of Lao PDR where the contract is performed.

**Article 30. Joint venture between a state-owned enterprise and a private enterprise**

Joint venture between a state-owned enterprise and a private enterprise is a partnership between a state-owned enterprise and a private enterprise in order to operate business, have co-ownership and establish a new entity under Lao PDR law.

The organization, operation, management, rights and obligations of investors in such partnership shall be specified in the relevant joint venture agreement and articles of association of such new entity.

**Article 31. Public-private partnership business**

Public-private partnership business is a joint-venture investment between public authority and a private party under a joint-venture contract to implement a project of new construction, improvement of infrastructure or to provide a service to the public.

Sectors, conditions and procedures for public-private partnership are set out in a separate regulation.

**Article 32. Types of investment**

Investment consists of 2 types:

## **Chapter II. General businesses**

**Article 33. Types of general business**

General business consists of the following types:

**Article 34. Business activities under controlled business list**

Business activities under controlled business list are businesses that are sensitive to national security, public order, national fine tradition and socio-environmental impact; to ensure socio-economic development balance, screening by relevant sector authorities is required before granting an investment license by the investment one-stop-service office and/or committee for investment promotion and supervision according to decentralized supervision.

The Government shall set the controlled business list for each period of time.

**Article 35. Business activities outside controlled business list**

Business activities outside controlled business list are businesses opened for general businesses and which may be file for enterprise registration and shall be authorized for operation according to the Enterprise Law and relevant regulations.

## **Chapter III. Investment procedures for general business**

**Article 36. Application for business activities under controlled business list**

Investors wishing to invest in general businesses included in the controlled business list shall submit an application through the investment one-stop service office of central or provincial level which shall coordinate with relevant sector authorities and then submit the request to the committee for investment promotion and supervision for approval as per the decentralized supervision authority as set out in relevant regulations.

**Article 37. Timeframes for admission consideration for investment in businesses under controlled business list**

Timeframes for admission consideration for investment in businesses under controlled business list shall be as follows:

In case of rejection of application, the investment one-stop-service office shall inform the applicant in writing within three working days from the date of rejection decision.

**Article 38. Application for business activities outside controlled business list**

Investors wishing to invest in general business not included in the controlled business list shall submit an application to industry and commerce sector authority for enterprise registration as set out in the Enterprise Law and other relevant regulations.

For business activities outside controlled business list in promoted sectors, upon enterprise registration, their investors may submit request to the investment one-stop service office for an incentive card.

**Article 39. Consideration of enterprise registration for business activities outside controlled business list**

Procedures and timeframes for consideration of enterprise registration for a business outside controlled business list require the issuance of enterprise registration certificate within ten working days from the date of receiving the application for enterprise registration.

**Article 40. Term of Investment for general businesses**

The investment in general businesses has unlimited term of investment except for businesses of which the term of investment has been limited by regulations of relevant sector authority.

## **Chapter IV. Concession businesses**

**Article 41. Concession businesses**

Concession business is an investment for which the investor is authorized by the Government according to regulation to develop and operate a business notably concession of land, development of special economic zones, zones for industrial processing for export, mining, electric energy development, aviation and telecommunication.

The Government shall determine the list of concession businesses.

**Article 42. Term of Investment**

The term of investment in concession business depends on the type, size, investment value, conditions, and feasibility study report of the business in compliance with relevant laws; but shall not exceed fifty years.

The concession investment term may be extended with the approval of Government or the National Assembly or provincial level assembly as set out by relevant laws.

## **Chapter V. Investment Conditions and Procedures for Concession Businesses**

**Article 43. Investor conditions for concession businesses**

Investor conditions for concession business:

**Article 44. Application and documentation for investment**

Application and documentation for investment are as follows:

**Article 45. Application submission for investment in a concession business**

Investors wishing to invest in a concession business or in the development of a special economic zone and industrial processing zone for export shall submit an application and all supporting documents to the investment one-stop service office of central or local level according to the supervision



decentralization as set out in relevant regulations, for consideration and recommendation to the Investment Promotion and Supervision Committee for consideration.  
Details of supporting documents are set out in a separate regulation.

**Article 46. Timeframes for admission consideration for investment in concession business**

Timeframes for admission consideration for investment in concession businesses shall be as follows:

In case of approval, the investment one-stop-service office shall notify in writing within three working days to the investor who then shall respond in writing within ten working days upon being notified by the investment one-stop-service office regarding the date of negotiation on the MoU or agreement; within thirty working days from notice by the investment one-stop-service office. The failure to do so by the investor shall be the implicit renunciation of his/her right to invest.

After signing the concession agreement, the investment one-stop-service office shall issue an investment license within three working days.

In case of rejection for investment license, the investment one-stop-service office shall notify in writing to the investor within three working days from the decision of such rejection.

**Article 47. Changes in concession investment**

Investment may be changed in various forms such as change of objective of business operation, shareholders, legal representative, registered capital and others upon request by the investor subject to the licensing authority's consideration.

**Article 48. Assignment of rights or transfer of business according to a concession agreement**

Concession investors may assign their rights or transfer their business in part or in whole to other investors subject to fulfillment of the following conditions:

Concession business in mining, energy, land, agriculture-forestry sectors shall comply with relevant laws and regulations.

Upon approval, the agreement of transfer of rights or shares according to a contract from relevant sector authority, such shall be notified to the investment one-stop-service office for approval and supervision and shall be notarized with the Lao PDR Notary Office subject to clearance of all taxes, fees and service charges as required by laws and regulations.

**Article 49. Approval powers of the National Assembly**

The National Assembly has the power to approve the following investments:

Investment in other than the above projects or issues shall comply with applicable laws and regulations of relevant sector authorities.

The Provincial Assemblies consider approving investment in projects of local level according to their

The Provincial Assemblies consider approving investment in projects of local level according to their jurisdiction as set out in relevant laws.

#### **Article 50. Approval powers of Provincial Assemblies**

The provincial assemblies have the power to approve the following investments:

For operation involving the concession of land, electric power and mining, relevant laws and regulations shall apply.

## **Chapter VI. Registered Capital and Capital Importation**

#### **Article 51. Registered capital for general businesses**

Registered capital of enterprises operating general businesses shall comply with the Enterprise Law and laws and regulations of relevant sector authority.

#### **Article 52. Registered capital for concession business**

Registered capital for concession business shall not be less than thirty (30%) percent of total capital. Registered capital for concession business shall be clearly expressed in assets and the asset value during the operation shall not be less than the registered capital.

#### **Article 53. Capital importation for general business**

Foreign investors investing in general businesses shall import their capital for at least thirty percent of the total registered capital within ninety days from the date of obtaining the relevant investment license. The remaining capital shall comply with the Enterprise Law or other relevant laws.

The capital may be imported in cash and/or in kind in compliance with relevant laws and regulations. The importation of cash and/or in kind capital shall bring supporting documents to be certified by the Bank of the Lao PDR according to relevant laws and regulations.

#### **Article 54. Registered capital importation for concession business**

Investors investing in concession shall import the registered capital according to the following minimum rates:

Such portion of capital shall be imported within ninety days from the date receiving the relevant investment license and the remaining amount within two years.

Such registered capital may be used for developing projects as set out in specific regulations.

## **Chapter VII. Representative offices**

#### **Article 55. Representative offices of foreign legal entities**

Representative offices of foreign legal entities are liaison offices on behalf of their parent companies in the survey for investment opportunities and coordination with relevant public and private parties in the Lao PDR.

#### **Article 56. Application for establishing a representative office**

A foreign legal entity wishing to establish its representative office in the Lao PDR shall submit the application to the investment one-stop service office for consideration and for issuance of a license for establishment of a representative office within fifteen (15) working days after receipt of the application from the company.

The representative office license acknowledges the lawful rights of the representative office to carry out activities in accordance with its terms of reference, rights and obligations, particularly in collecting information on investment for its parent company serving as a basis for consideration of the future investment decision in the Lao PDR without the rights to undertake commercial activities.

Rules for the establishment, term and establishment capital of representative offices are set out in a

separate regulation.

## **Part IV. Development of special economic zones**

### **Article 57. Development of special economic zones**

Special economic zones are zones that have their specific administrative mechanism to create favorable conditions to attract investment which uses high, innovation for production of agricultural products, clean production using less natural resources and energy for sustainable and environmental-friendly development.

Special economic zones are established by the Government's decision and consist of industrial zones, processing industry for export, development of technology and information, services, trade, tourism. Special economic zone is abbreviated as "SEZ".

### **Article 58. Establishment of special economic zones**

The Government decides on the establishment of special economic zones upon recommendation by the Central Investment Promotion and Supervision Committee in coordination with relevant local administrations.

After the Government's decision establishing a special economic zone, it shall be determined on the form of investment and selection of developers.

### **Article 59. Conditions for establishing special economic zones**

Special economic zones shall be established according to the following main conditions:

### **Article 60. Principles of activities of the special economic zones**

The special economic zones shall carry out their activities in accordance with the following basic principles:

### **Article 61. Concession term for developing special economic zones**

The concession term for developing special economic zones depends on the type, size, investment value, conditions, feasibility study report of the business in compliance with relevant laws and regulations; but shall not exceed fifty years.

The concession term for developing special economic zones may be extended with the approval of the National Assembly upon request by the Government, provided that investor has implemented the concession agreement effectively and has brought benefits to the society.

### **Article 62. Tax, duty and other incentives**

Developers and investors of special economic zones will receive special incentives in specific areas of tax, duty and other incentives according to relevant regulations.

Developers and investors of special economic zones may apply policies as provided by laws, regulations or concession agreement as signed with the Government.

### **Article 63. Supervisory authorities of special economic zones**

The Government supervises special economic zones in a centralized and uniformed manner nationwide by assigning the Ministry of Planning and Investment to be directly responsible and to actively coordinate with other relevant sector authorities and local administration.

The supervisory authorities of special economic zones consist of:

Powers and duties of Supervisory authorities of special economic zones are set out in a separate regulation.

## **Part V. Overseas investment**

### **Article 64. Application for Overseas Investment by Domestic Investors**

Domestic investors wishing to invest overseas shall submit application to the investment one-stop service office for licensing consideration.

### **Article 65. Conditions for Overseas Investment**

Domestic investors going to invest overseas shall fulfill the following conditions:

### **Article 66. Rights and Obligations of Domestic Investors Investing Overseas**

Domestic investors investing overseas shall have the following rights:

Domestic investors investing overseas shall also have the following obligations:

After the end of their overseas investment, the investor may bring back capital and assets to the home country according to relevant laws and regulations.

## **Part VI. Rights and obligations of investors**

### **Chapter I. Rights of investors**

#### **Article 67. Rights of investors**

Investors have rights to invest as follows:

#### **Article 68. Rights on Administration and Management of Investment Businesses**

Rights to administrate and manage investment business are as follows:

**Article 69. Rights on Hiring Labor**

Rights on hiring labor are as follows:

**Article 70. Rights of Foreign Investors on Residence in the Lao PDR**

Foreign investors and their families have the rights to reside within the territory of the Lao P.D.R. according to the terms of investment. Foreign technicians and experts have rights to reside in the territory of the Lao P.D.R. according to their employment contracts.

**Article 71. Rights of Foreign Investors to Repatriate Capital, Assets and Income**

Foreign investors have the rights to repatriate capital, assets and income, such as profits from investment, personal cash and assets, or assets of the enterprise through banks located in the Lao P.D.R. after full payment of duties, taxes and other fees in accordance with laws and regulations. Transfer of assets being capital and/or money includes:

## **Chapter II. Obligations of investors**

**Article 72. Obligations towards the State**

Investors have the following main obligations:

**Article 73. Social Obligations**

Investors have social obligations as follows:

#### **Article 74. Environmental Obligations**

Investors have the following environmental obligations:

## **Part VII. Investment promotion and supervision committee and one-stop service for investment**

### **Chapter I. Investment Promotion and Supervision Committee**

#### **Article 75. Investment Promotion and Supervision Committee**

The Investment Promotion and Supervision Committee is a committee established by the Government with a mandate to promote and supervise investment with its acronym as "IPSC".

The Committee consists of two levels being:

#### **Article 76. Central Investment Promotion and Supervision Committee**

The Central Investment Promotion and Supervision Committee consists of:

The Central Investment Promotion and Supervision Committee hold its meeting at least twice a month.

#### **Article 77. Rights and duties of the Central Investment Promotion and Supervision Committee**

The Central Investment Promotion and Supervision Committee shall have the following rights and duties in supervising investment promotion:

The Government shall issue the list of businesses to be under the jurisdiction of the Central IPSC.

**Article 78. Provincial Investment Promotion and Supervision Committee**

## **Article 78. Provincial Investment Promotion and Supervision Committees**

Each of Provincial Investment Promotion and Supervision Committees consists of:

## **Article 79. Rights and duties of Provincial Investment Promotion and Supervision Committees**

The provincial investment promotion and supervision committees shall have the following rights and duties in supervising investment promotion:

# **Chapter II. One-stop service for investment**

## **Article 80. Investment one-stop service office**

The investment one-stop service office abbreviated as “OSO” is the permanent office for the Investment Promotion and Supervision Committee to provide its investment one-stop service to investors, to exercise its rights and perform its duties set out in Article 84 of this Law. The investment one-stop service office consists of two levels being:

## **Article 81. Central investment one-stop service office**

The Central investment one-stop service office is located at the Ministry of Planning and Investment having a working team in charge which is composed of representatives from: Ministry of Planning and Investment, Ministry of industry and Commerce, Ministry of Finance, Ministry of Natural Resources and Environment, Ministry of Energy and Mines, Ministry of Agriculture and Forestry, Ministry of Labor and Social Welfare, Ministry of Public Works and Transport, Ministry of Information, Culture and Tourism Ministry of Public Security.

Each ministry, ministry-equivalent body has duty to establish its coordination unit for one-stop service under the supervision of the minister or deputy minister of relevant ministry being part of the Investment Promotion and Supervision Committee.

The Government shall determine rules on the organization and operation of such one-stop-service units at the central and local levels.

## **Article 82. Provincial investment one-stop service offices**

A Provincial, Capital investment one-stop service office is located at the provincial, capital Department of Planning and Investment having a working team in charge which is composed of representatives from: Department of Planning and Investment, Department of Industry and Commerce, Department of Finance, Department of Natural Resources and Environment, Department of Energy and Mines, Department of Agriculture and Forestry, Department of Labor and Social Welfare, Department of Public Works and Transport; Department of Information, Culture and Tourism; Department of Public Security. Each department has duty to establish its coordination unit for one-stop service under the supervision

of director general of relevant department being part of the Investment Promotion and Supervision Committee of provincial level.

**Article 83. Principles of investment one-stop-service**

The principles for one-stop-service are as follows:

**Article 84. Rights and duties of the investment one-stop-service office**

The investment one-stop-service office shall have the following rights and duties:

## **Part VIII. Suspension, Withdrawal, Cancellation and Termination of Investment**

**Article 85. Suspension of investment**

The investment operation will be temporarily suspended by the licensing authority and enterprise registration authority as follows:

**Article 86. Procedures for suspension of investment**

Suspension upon investor's request: licensing and enterprise registration authorities shall coordinate with relevant sector authorities to conduct inspection and evaluation before considering the requested suspension.

Suspension upon request from relevant sector authority: licensing and enterprise registration authorities shall consult with each other and issue a warning notice giving time for corrective action the failure of which would lead to suspension of the relevant investment.

**Article 87. Termination of investment**

The investment will be terminated in the following cases:



Termination of an investment shall not release its investor from his/her obligations and liabilities owed to individuals, entities and State.

**Article 88. Steps for investment termination**

Steps for consideration of investment termination are as follows:

**Article 89. End of investment**

The investment shall be ended in the following cases:

## **Part IX. Prohibitions**

**Article 90. General Prohibitions**

Natural persons, legal entities and organizations are prohibited from the following behaviors:

**Article 91. Prohibitions for Government Staff**

Government officials are prohibited from the following behaviors:

**Article 92. Prohibitions for Investors**

Investors are prohibited to perform the following behaviors:

## **Part X. Dispute Resolution**

**Article 93. Forms of Dispute Resolution**

Investment dispute resolution related to investment can be carried out through the following forms:

**Article 94. Amicable Negotiation**

In the case of investment dispute arises, the parties shall make effort to solve the dispute in amicable manner through an intermediary with mutual concessions in order to reach a reasonable and fair outcome for mutual benefits.

**Article 95. Administrative Dispute Resolution**

When there is an investment-related dispute, either party thereto shall have the rights to request through the investment one-stop-service office in order to request the IPSC to resolve the dispute in accordance with laws.

**Article 96. Dispute Resolution by the Office for Economic Dispute Resolution in the Lao PDR or international organization to which Lao PDR is a party**

When there is an investment-related dispute, either party thereto shall have the rights to request the

Office for Economic Dispute Resolution for resolution of Lao PDR or abroad as agreed by the parties of the dispute.

Lao PDR recognizes and enforces the award of foreign or international arbitration subject to certification by people's court of Lao PDR.

People's court of Lao PDR will certify an award granted by a foreign or international arbitration only if the following conditions have been fulfilled:

After such recognition and certification by the people's court of Lao PDR, the award shall be enforced according to the Lao PDR's Law on Court Judgment Enforcement.

For any dispute arising from an agreement signed with the Government, the resolution thereof shall be as agreed by both parties in such agreement.

**Article 97. Filing of a Claim or Litigation to the Court of Lao PDR or an international court to which Lao PDR is a party**

When there is an investment-related dispute, either party thereto shall have the rights to bring the dispute to the people's court in accordance with Lao PDR's laws or an international court to which Lao PDR is a party. The court decision which becomes final shall be binding against the parties.

## **Part XI. Supervision and inspection of investment promotion**

### **Chapter I. Supervision of investment promotion**

**Article 98. Supervision Authorities**

The Government supervises investments promotion in a centralized and uniformed manner throughout the country by assigning the planning and investment sector authority to be directly responsible for the supervision and for coordinating with industry and commerce sector authority, relevant sector authorities and local administrative authorities.

**Article 99. Rights and duties of the planning and investment sector authority**

In supervising investment promotion, the planning and investment sector authority shall have the rights and duties according to the supervision decentralization as follows:

A. Rights and duties of the Ministry of Planning and Investment

B. Rights and duties of the Provincial, Capital Departments of Planning and Investment

C. Rights and duties of the District, Municipal Offices of Planning and Investment

**Article 100. Rights and duties of the industry and commerce sector authority**

In supervising investment promotion, the industry and commerce sector authority shall have the rights and duties according to the supervision decentralization as follows:

B. Rights and duties of the Provincial, Capital Departments of Industry and Commerce

C. Rights and duties of the District, Municipal Offices of Industry and Commerce

**Article 101. Rights and duties of the finance sector authority**

In supervising investment promotion, the finance sector authority shall have the rights and duties according to the supervision decentralization as follows:

A. Rights and duties of the Ministry of Finance

B. Rights and duties of the Provincial, Capital Departments of Finance

C. Rights and duties of the District, Municipal Offices of Finance

**Article 102. Rights and duties of the other sector authorities and other parties**

Agriculture and forestry, energy and mines, public works and transport, natural resources and environment and other relevant sector authorities shall have the rights and duties according to the supervision decentralization as follows:

A. Ministerial level

B. Provincial and district levels

## **Chapter II. Inspection of investment promotion**

### **Article 103. Inspection Authorities**

Inspection authorities of investment promotion consist of:

The Investment Promotion and Supervision Committee shall take ownership of coordinating with other relevant authorities at central and local levels to monitor and inspect investment as set out in this Law.

### **Article 104. Content of Monitoring-Inspection**

All activities of enterprises shall be managed, monitored and inspected by the inspection authority of investment promotion as set out in Article 103 of this Law.

The contents of inspection are as follows:

The inspection authorities have the rights to propose solutions to relevant authorities for their consideration if they find any violations of the laws and regulations related to investment promotion and supervision.

### **Article 105. Forms of Inspection**

There are three forms of inspection as follows:

A regular inspection is a normal inspection which is planned within a certain timeframe and conducted at least once a year with the investment one-stop-service office as the focal point of inspection coordination.

An inspection with prior notice is an unplanned inspection that is conducted only when there is a necessity. The inspected project shall be notified twenty four (24) hours in advance.

Emergency inspection is an inspection that is conducted when there is an urgent need without giving prior notice to the inspected projects.

The inspection can be conducted in the form of inspection of documents and actual operations at the workplace.

## **Part XII. Awards for good performance and sanctions against violations**

### **Article 106. Awards for Good Performance**

Natural persons or organizations who have had outstanding achievements in implementing this law, particularly in contributing to investment-related activities, national socio-economic development and to investment promotion shall receive recognition and other incentives as deemed reasonable or according to the regulations.

### **Article 107. Sanctions against Violations**

Natural persons or legal entities who violate relevant laws, agreement and regulations shall be subject to measures depending on the seriousness of the violation in the form of education and training, punishment, penalties, payment of civil compensation or subject to prosecution for criminal offence depending on the seriousness thereof.

## **Part XIII. Final provisions**

### **Article 108. Implementation**

The Government of the Lao PDR shall implement this law.

### **Article 109. Entry into Force**

This law shall enter into force from the date of the promulgating decree issued by the President of Lao P.D.R and after fifteen days of its publication on the Official Gazette.

This law shall replace the Law on the Promotion of Investment No. 02/NA, dated 08 July 2009.

Benefits obtained by enterprises under the old law and agreements previously signed with the Government shall remain unchanged until the termination of the agreements.

Investors, developers and enterprises wishing to obtain investment incentives under this Law, it shall have the rights to request from the relevant authority within one hundred twenty days. The relevant authority shall then inform the investor for implementation.

Any provisions in conflict with this Law are hereby repealed.