



The 14th Lao Business Forum

Matrix of Proposals Resolved
(updated on the 22nd of March, 2023)

2023

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No.	Relevant Government Agencies	Proposed Recommendations	Reference
1	Ministry of Industry and Commerce (MoIC)	MoIC should take the lead and work together with line ministries to improve the procedure for getting a business license by providing a clear and convenient path to registration. Propose that the MoIC determines the sector that is a priority for improving the business license and have a deadline for the improvement of this priority sector.	<ul style="list-style-type: none"> Based on the responses from MoIC according to the minutes of the 13th Lao Business Conference (July 2021) and the Progress report on the improvement of the procedure for issuing business licenses by the MoIC (November 2022), MoIC has been working with 15 line agencies responsible for issuing business licenses, and has already set the list of priority licences to be streamlined.
2	Ministry of Industry and Commerce (MoIC)	Propose provision of an online channel to access information on the procedures, conditions and requirements of the relevant sectors related to issuing business licenses, or use intermediaries to distribute that information to the business sector, such as the Lao National Chamber of Commerce and Industry and the Foreign Chamber of Commerce in Lao PDR.	A website for information on procedures and conditions for applying for a business license of the MoIC. was launched in January 2023 (http://www.bned.moic.gov.la/lo)
3	Ministry of Industry and Commerce (MoIC)	Improve transparency and inform the private sector about various tariffs or changes of tariffs through the Lao Trade Portal (Lao Trade Portal website) by regularly updating the information and making it a point of access to the main source of information.	The information in the Lao Trade Portal website of MoIC is regularly updated - https://www.laotradeportal.gov.la/
4	Ministry of Industry and Commerce	Propose that the MoIC acts as the focal point to coordinate with the relevant sector for facilitating domestic movement of goods.	<ul style="list-style-type: none"> PM Order No 12

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5	Ministry of Industry and Commerce (MoIC)	Propose that the MOIC amends the agreement No. 1006/MOIC.DIT dated May 22, 2015, on the establishment of the foreign chamber of commerce in Lao PDR. This is to allow the private sector to further elaborate the structure and roles of foreign investors on the board of directors of the foreign chamber of commerce as a basis for implementation and future reference (in terms of consultation and capability to volunteer).	<ul style="list-style-type: none"> The issue is resolved through changes in interpretation of the existing legislation by MOIC, which was agreed at the consultation meeting held on March 21, 2023.
6	Ministry of Industry and Commerce (MoIC)	Establish and improve regulations and laws that can provide direct support to the starting business procedure for start-ups, such as a regulatory framework to govern online businesses and e-commerce.	<ul style="list-style-type: none"> Decree on E-Commerce (296/GOV, 12/04/2022) is in place.
7	Ministry of Public Works and Transport (MoPT)	Proposed that the Lao-China Railway Company, together with the Lao National Chamber of Commerce and Industry, organize a seminar to disseminate information on the Lao-China Railway company's services, such as the types of goods that can be transported and the price of transport charges.	<ul style="list-style-type: none"> The seminar on procedures, conditions and fees related to the transportation of goods and passengers through the Lao-China railway is organized on 08/31/2022. Video recording of the seminar broadcast through the website, Facebook and YouTube channels of LNCCI. A detailed proposal on procedures, conditions and fees related to the transportation of goods across the border, and the transportation of passengers through the Lao-China railway published through the LNCCI website in both Lao and English.
8	Ministry of Planning and Investment (MPI)	Propose that the government periodically reports on the implementation of order No. 02/PM and 03/PM, Vientiane on January 21, 2020.	<ul style="list-style-type: none"> A meeting to report on achievement of the implementation of order No. 02/PM and 03/PM by the Ministry of Planning and Investment is held every 6 months.

No.	Relevant Government Agencies	Proposed Recommendations	Reference
9	Ministry of Information, Culture and Tourism (MoICT)	<p>Facilitation of tourist entry procedures during the Covid-19 period, namely:</p> <ol style="list-style-type: none"> 1. In order to reduce the documents application process and duplicating documents, it is proposed to select either the tourist entry document-Telex or the Green Pass system, but not both. MICT, MoHA and MoTC should decide which form to use for this matter. 2. Propose to open the country in full form for the 2nd phase starting from April or March, and to provide Visa services at the same borders and eVisa for the convenience of incoming tourists by reducing the entry requirements for tourists. Once the country is fully opened up, it should eliminate the requirement to display the QR or COE (entry permit document of the Ministry of Foreign Affairs). 3. Propose a single window service that can provide accurate information and systematic coordination of each relevant ministry, especially between the actual implementers and those who set the rules. 4. Proposal to allow the vehicles of tourism companies and hotels to pick up tourists at the airport or international checkpoint and comply with Lao Safe standards or the safety standards of the special task force for convenience and speed in the service and also to save time and cost. 	<ul style="list-style-type: none"> • Refer to the Notice of instructions on measures to enter and exit Lao PDR and relief measures within the country during the outbreak of Covid-19.
10	Ministry of Information, Culture, and Tourism (MoICT)	<p>Propose that the private sector contributes and participates in the development of the state's tourist attractions so that these tourist sites can be well developed, properly maintained, and managed.</p>	<ul style="list-style-type: none"> • MICT is happy to facilitate the participation of the private sector in the development of the state's tourist attractions, based on the law on investment promotion, and the decree on joint investment between the public and private sectors, and other related legislation.

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11	Ministry of Information, Culture, and Tourism (MoICT)	Propose that the Ministry of Information, Culture, and Tourism consider improving the fees and charges for environmental impact assessments, specified in Decree No. 002/PPT on Fees and Charges, by separating the fees and charges for tourism development projects that are contingent on nature conservation from the fees and charges for other types of projects (i.e., mining and hydropower); or consider reducing the fees for environmental and social impact assessments (ESIA).	<ul style="list-style-type: none"> • Before 2022, the Presidential Decree No. 003 dated December 26, 2012 was followed, especially Article 77 Clause 2 which set the cost of the environmental and social impact assessment certificate in the amount of 1 million Kip, and Article 83 Clause 2 which set the fee for the Environmental and Social Impact Assessment (ESIA) including the Environmental Management and Monitoring Plan (EMMP) in the amount of 36 million Kip; for a total of 37 million Kip. However, it is currently in compliance with Presidential Decree No. 002, dated June 17, 2021, in Article 25 Clause 6.2, which sets the cost of the environmental and social impact assessment certificate at 1 million Kip, Article 26 Clause 4.2 the fee for reviewing the environmental and natural impact assessment including the management and monitoring plan for the environment and nature amounting to 10 million Kip; for a total of 11 million Kip. This is seen as a deduction of 26 million Kip. • Private sector can accept it if it is implemented based on the new fees set in Presidential Decree No. 002. Therefore, this proposal is considered resolved.
12	Bank of Lao PDR (BoL)	Foreign Exchange Flexibility: Introduce greater exchange rate flexibility and transition to a more market-based exchange rate regime for USD-LAK. A market-based exchange rate regime would also promote the establishment of FX forwards as a hedging product, which companies could use to manage risks; and promote a deeper interbank market and greater competition.	<ul style="list-style-type: none"> • According to the Agreement No. 779/BOL, dated October 11, 2022, on the determination of the exchange rate, the USD-LAK trading band is set at +/-4.5% (previously the band was set at +/-0.25% in 2015, and +/-1.5% in 2021)

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13	Bank of Lao PDR (BoL)	<p>Increase penalties for exchange bureaus or commercial banks in breach of their licensing who trade outside the official rate. Given how time-consuming and resource intensive audit can be, financial penalties should be highly discouraging to illegal operators.</p> <ol style="list-style-type: none"> 1. Audit and identify these parallel market operators by following the supply of USD (i.e. from exporters) to LAK. 2. Greater penalties for companies who provide pricing which reflects parallel rather than official rates when invoicing in USD and LAK. 	<ul style="list-style-type: none"> • Notification on the conversion of exchange bureaus into a representative of a commercial bank in conducting currency exchange business (No.758/MPD.BOL dated 12/07/2021 and 111/BOL, 12/08/2021). • Notification on a list of authorized exchange bureaus that are representatives of commercial banks (No. 175/BOL dated 17/09/2021 and 340/OFFICE.BOL 14/11/2022). • Agreement No. 449/BOL dated June 14, 2022, on managing currency exchange services of commercial banks and currency exchange bureaus.
14	Bank of the Lao PDR (BoL)	<p>Increase the strict enforcement of regulations related to credit information by including all financial service providers (such as banks, microfinance institutions, credit leasing companies) to fully join the Credit Information Center (CIC) and merge credit information in the database of Credit Information Center.</p> <p>Propose further that BOL provides explanation of the number of members who have joined and who have not joined, and what are the plans and measures to convince those financial institutions that are not yet a member to join.</p>	<p>BOL has encouraged microfinance institutions that have been established by BOL to become members and encouraged these members to implement the regulations on credit information as stated in the existing regulations.</p> <ul style="list-style-type: none"> - So far membership base of the CIC includes all commercial banks and 153 Nonbank financial institutions, representing 97% of total outstanding credits.
15	Ministry of Finance (MoF)	<p>Propose that the Ministry of Finance reduces the tax obligations of the private sector, especially business in the tourism industry, after the tax computation of 2019; propose to postpone the tax payment of 2019 for two more installments.</p>	<p>MOF issue the Notice of the Office of the Ministry of Finance (0764/Office.MOF, April 21, 2020), to postpone the tax payment of 2019 for two more installments.</p>
16	Ministry of Finance (MoF)	<p>Propose that MOF remove the process of fixed assets registration as collateral with the State Property Management Department.</p>	<p>According to the response letter from the Commercial Bank Management Department No. 516/KCT, dated June 17, 2020, which compiled answers from relevant sectors that is related to this issue, loan agreement and collateral is not required to be registered with the State Property Management Department.</p>

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17	Ministry of Finance (MoF)	Propose that MOF fully commit to reducing tariffs under the ATIGA Agreement according to the schedule and the Information Technology Agreement under the World Trade Organization (ITA) framework and additional ITA agreements.	Based on the response of the representative of MOF in the consultation meeting held on March 21, 2023, the import of IT equipment within the framework of the ASEAN Free Trade Agreement (ATIGA), ASEAN-China (ACFTA), ASEAN-Australia-New Zealand (AANZFTA), ASEAN-India (AITFA) has a tax rate of 0%. Other commercial frameworks such as WTOF AJTFA, APTA apply a tariff of 5%. The Department of Customs will continue to cooperate with relevant parties (Department of Foreign Trade Policy, to negotiate with free trade agreement partners to reduce tax rates in the future).
18	Ministry of Finance (MoF)	Propose that Department of Customs and The Lao National Chamber of Commerce and Industry regularly organize a seminar on dissemination of information about the revision of any changes to tax rates or related legislation.	There will be a memorandum of understanding signed between the Customs Department and LNCCI in April 2023 to jointly organize meetings between the Customs Department and the private sector on a regular basis every 6 months.
19	Ministry of Information, Culture, and Tourism (MoICT)	Propose that the ministry determine a specific unit that oversees the work of promotion policy and coordination for Startup promotion.	<ul style="list-style-type: none"> • Law on the promotion of small and medium-sized enterprises (revised version). • The ministry set the Technology Promotion and Transfer Centre under the Ministry of Technology and Communication (Start-up Promotion Department) a specific unit that oversees the work of promotion policy and coordination for Startup promotion.
20	Ministry of Technology and Communications (MoTC)	Propose that the ministry involves the private sector to provide feedback in creating policies to promote start-ups.	<ul style="list-style-type: none"> • According to the Progress report by the Technology Promotion and Transfer Centre, Ministry of Technology and Communication (Start-up Promotion Department) in October 2022, Lao ICT Association is involved in the process of drafting the decree on Start-up Promotion.
21	Ministry of Agriculture and Forestry (MoAF)	Propose that relevant sectors provide information on the classification of different types of agriculture and the process of clean agriculture certification that operators can easily access.	<ul style="list-style-type: none"> • Information on the classification of various types of agriculture and the process of certification of clean agriculture by the Department of Agriculture can be viewed on the website of LNCCI, or such information (published paper version) can be obtained at the Department of Agriculture of the Ministry of Agriculture and Forestry.