



The 14th Lao Business Forum

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

2023

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No.	Relevant Government Agencies	Proposed Recommendation	Progress / Response
1	Ministry of Industry and Commerce (MoIC)	Propose that the Government adopts 6 industries: manufacturing, wood and agricultural processing, tourism, restaurants, construction, and education to improve and speed up the process of issuing business licenses (Priority Licenses) by issuing formal notification on the list of priority licenses for streamlining.	MoIC is in the process of upgrading the current inter-ministerial working group leadership from the Director General level to Deputy Minister level and also accepted the proposal to make request to PMO to issue the formal notification on list of priority licenses for streamlining.
2	Ministry of Industry and Commerce (MoIC)	Propose that the Government completes the improvement of the priority licenses within 18 months (and considers switching to a risk-based system (allowing for low-risk activities to not necessary apply for a business license).	<ul style="list-style-type: none"> • Significant progress has been made to streamline manufacturing licenses, tourism, restaurant, construction, and education related licenses. The process of streamlining these licenses is expected to be completed within the next 18 months. • For business licenses under MAF, more consultations will be required to agree on the completion date for licensing streamlining.

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3	<ol style="list-style-type: none"> 1. Ministry of Public Works and Transport (MoPT) 2. Ministry of Industry and Commerce (MoIC) 	<ul style="list-style-type: none"> • Propose that the relevant authorities or department reconsiders the provisions of Notification No. 04718/MPWT, dated 23 February 2022, particularly to allow foreign trucks to enter Lao PDR with an empty container to collect goods for export at a designated location where it is not required to load and unload container from Lao trucks. • Propose that the Ministry of Industry and Commerce (MOIC), on behalf of the members of the Joint Trade Facilitation Committee, considers and coordinates with all relevant parties to re-evaluate the advantages and disadvantages in the implementation of Notification No. 04718 / MPWT; also, find innovative solutions that will benefit all stakeholders, and monitor the implementation of such solution. 	<ul style="list-style-type: none"> ▪ On the proposal to allow empty trucks and empty cargo containers from abroad to pick up in Lao PDR, this is related to the priority list of the MoIC, from which permission must be verified each time by the Provincial Transport Department and the Provincial Transport Association. ▪ The Department of Transport is in the process of drafting new decision to allow empty trucks or containers to pick up list of goods proposed by DIMEX.
4	Ministry of Home Affairs (MoHA)	<p>Consider amending the Decree on Associations No. 238/GOV, dated 11/08/2017, which clearly specifies that LNCCI will regulate all business associations in Lao PDR; as the Decree 237/PM stipulates that the LNCCI is a consultant unit, and to provide comments on the proposal to establish domestic and foreign business associations in the Lao PDR that is to be submitted to the MOIC for consideration and approval; and once the association/business group has been legally established, it will be under the management of LNCCI.</p>	<p>MoHA responded that LNCCI is a social organization of the private sector, which is not a state agency, therefore it is not suitable for the responsibility of state management. These procedures and responsibilities are MoIC's to consider and agree. As for LNCCI, it has the duty to research and comment on the establishment of business associations as stipulated in Decree No. 237/PM.</p>

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5	Ministry of Home Affairs (MoHA)	<p>Propose that MoHA amends decree No. 238/GOV, dated 11/08/2017 (Decree on Associations). Paragraph 7 Clause 3 of the new Decree on Associations prohibits foreigners from representing their organizations on the Boards of their Professional Association and prevents any voting rights in the Association to elect the Board Members; and Article 31 point 7 prohibits foreign experts and volunteers from having permanent work in the association. To amend as follows:</p> <ul style="list-style-type: none"> ○ Allowing foreigners to participate on the board of directors and on the management board of business associations to ensure that there is no discrimination as stipulated in the Investment Promotion Law. ○ Eliminate the restriction that forbids foreign experts to work for business associations on a permanent basis and use Labor Law Article 45 instead. 	<p>MoHA responded that there must be research and discussion in detail according to the process of revising the legislation. MoHA is currently planning to revise the decree and legislation on the work of social organizations soon and will bring this proposal into consideration.</p>
6	Ministry of Planning and Investment (MPI)	<p>Propose that the Ministry of Planning and Investment revises the law on Investment Promotion to remove the controlled activities list and the process of applying for Investment License (that is not listed in the concession activities); because this step does not add any value to the investment and is redundant to the application of business license procedure.</p>	<p>MPI agreed with the proposal, which however should be researched and considered in depth. Currently, the MPI is in the process of amending the investment promotion law and the draft law is planned to be proposed to the National Assembly for approval in December 2023. MPI proposed to the private sector to help research and comprehensively highlight the reasons why those controlled activities should be eliminated.</p>

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7	Ministry of Information, Culture, and Tourism (MoICT)	Propose the completion of the establishment of the tourism promotion board as soon as possible so that they can initiate the marketing, advertising and promotion of various activities related to tourism. At the same time, propose sufficient budget allocation to start the marketing activities of the Tourism Promotion Board, of which the budget should come from the Tourism Promotion Fund.	Ministry of Information, Culture, and Tourism has collaborated with LNCCI to draft a decree on the Tourism Promotion Board. Currently, the draft decree is being presented to the committee of the Ministry for consideration and to be sent to the Ministry of Justice for further consideration in accordance with the law.
8	Ministry of Information, Culture, and Tourism (MoICT)	Re-evaluate the effectiveness of the implementation of legislation related to the collection of Tourism Promotion Funds (Decree on Tourism Fund No. 119/GOV dated April 10, 2017). If it is seen that the existing legislation is not effective enough in the collection of tourism promotion funds, then it is proposed that it should be improved. The collection of Tourism Promotion Funds should be implemented uniformly throughout the country and have a convenient payment channel to ensure that the revenue meets the target and matches the number of tourist entries.	<ul style="list-style-type: none"> • MICT is collaborating with the MoF to change the method of funds collection through a contemporary IT system at international borders as directed by the Government. • The Ministry of Tourism is revising the decree on tourism funds.
9	Ministry of Information, Culture, and Tourism (MoICT)	Propose that the MICT coordinates with relevant government agencies to consider revising or issuing specific legislation to facilitate nature-based tourism, and community-based tourism aimed at reducing concession approval procedures, and fees associated with land concessions for the development of nature-based tourism.	<ul style="list-style-type: none"> • Regarding the approval of tourist attraction concessions, it should follow the investment procedure under the investment promotion law. • Regarding the rates of concession fees and service charges for tourist attractions and tourism activities, the MICT has proposed to reduce the concession rates for such activities to the MoF for consideration. • MICT proposes MPI to lead discussions on this issue with MAF and MoNRE.

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10	Ministry of Information, Culture, and Tourism (MoICT)	Propose that the Ministry of Information, Culture and Tourism be a focal point to coordinate with the Ministry of Education and Sports to issue detailed instructions on the organization of sports activities for tourism, especially to specify the procedures, fees and service charges and the number of security officers (and related costs) in each size and type of sports activities; and to ensure uniform implementation throughout all provinces.	<p>In the past, the MICT has discussed this issue with the Ministry of Education and Sports, but no further consultation has been carried out.</p> <p>MICT proposes LNCCI to have further discussions on the issue with MoES.</p>
11	Ministry of Natural Resources and Environment (MoNRE)	Propose that MoNRE offers an online service system to validate land titles, check for land disputes and various government projects where land is located to facilitate the registration of loan agreements and collateral.	<p>The Land Department has developed and updated the land registration program (Lao Land Reg Version 7) which can serve the following tasks:</p> <ol style="list-style-type: none"> 1. Land title registration. 2. Registration of changes in land use rights (transfer, split, consolidation of land). 3. Activity registration (validation, mortgage, opposition). 4. Track incoming and outgoing documents (request tracking). 5. Calculation of various fees. <p>The system will be completed in the first half of 2024</p>
12	Bank of the Lao PDR (BOL)	Propose that BOL grants permission to use village head-certified land titles for “soft collateral” lending in areas with low rates of formal land titling under certain circumstances (< amounts, pledging of security interest, authentication by the village head and reporting to the credit information center).	<p>BOL sees that the proposal is not in line with the Land Law, Article 104, Paragraph 2, which stipulates that the registration of land use rights must be done at the Office of Natural Resources and Environment where the land is located, face-to-face between the parties in the contract and the land office authority. This means that the certificate of land use rights to be used as collateral for the loan must be approved by the Department of Natural Resources and Environment. In addition, during 2020, the Ministry of Finance has issued a notice on increasing attention to the implementation of the Civil Code and Land Law No. 506/D.NRE, dated August 27, 2020 for businesses and commercial bank branches to strictly comply.</p> <p>BOL and MoNRE will issue instructions to facilitate use of Village Head Certified Land Titles as collateral within the next 03 months</p>

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13	Bank of the Lao PDR (BOL)	There should be an upgrade to the credit information center (CIC) to expand the coverage of information and integrate it with relevant sectors, as well as the public utility service providers.	<p>BOL has asked relevant sectors to provide information, which has enabled progress in many aspects such as completion of the memorandum of understanding with the Department of Registration and Enterprise Management and completion of work at the technical level with the Tax Department.</p> <p>BOL will continue to upgrade the CIC through restructuring of the CIC ownership structure to mobilize investment capital within 2023.</p>
14	Bank of Lao PDR (BOL)	There should be an upgrade to the credit information centre to expand the coverage of information and integrate it with relevant sectors, as well as the public utility service providers.	Summary report on the implementation of orders No. 02/PM and 03/PM from January 2021 to September 2022 of the Secretariat of Order 02+03, Ministry of Planning and Investment.
15	Ministry of Justice (MoJ)	Propose shortening the court notarization process for documents related to loans or allow the process to be done online. The collection of court registration fees should be calculated as a fixed rate or with a ceiling for any set of documents, instead of calculating the pages	<ul style="list-style-type: none"> • The relevant sector responded that it cannot reduce this process because it complies with the law on court registration. • The sector insists that the fee collected should be 25,000 Kip/package and the service fee is 5,000 Kip/page of paper. • MoJ has plan to digitalize court registration procedures to streamline the process.
16	Ministry of Justice (MoJ)	Propose reviewing the laws and regulations framework related to the hearing of civil cases, the enforcement of contracts and the implementation of the court decision to speed up the process for loan cases and the implementation of court decisions.	<p>MoJ Amended the law on the implementation of court decisions, which the revised law in 2021 is in effect.</p> <p>Further consultations will be necessary to come up with practical solutions.</p>

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17	Ministry of Finance	The Customs Department should consider allowing the use of Form D in the electronic form for customs declarations to reduce the time and cost of sending the original Form D (in hard copy) from its country of origin to Lao PDR. The requirement for the original hard copy of Form D will prolong and increase the cost of the customs declaration process.	The Department of Customs has completed the development of an electronic system linked to the ASEAN Single Window Customs System, which is used to transfer Form D information. As a result, the Tax Department will be able to check Form D electronically from the second quarter of 2023 onwards.
18	Ministry of Finance (MoF)	Propose that the Customs Department accelerates the expansion of the scope of LNSW in terms of product types and customs border.	To date, the LNSW system has been installed and used at 9 international customs borders. The Department of Customs has set a clear plan to expand the system to cover all international customs borders in the country in 2023.
19	Ministry of Finance (MoF)	Financial departments (Customs and Tax) should coordinate with various parties to consolidate the collection of fees related to the transportation of goods and use contemporary IT systems for reporting and collecting fees for maximum benefit. Propose that the Trade Facilitation Secretariat continue to follow up.	From the report of the Trade Facilitation Secretariat at the TPWG meeting in November 2022 (the Smart tax system can include the fees of some but not all sectors at the border).
20	Ministry of Technology and Communications (MoTC)	Propose that the relevant government agencies finish drafting the policies that specifically promote start-ups.	Ministry of Technology and Communications is drafting a decree on the promotion of start-ups to implement the MSME promotion law (revised version), which specifies the detailed content and a basis for the promotion of start-ups (expected to be announced within 2023).