

LAO PDR

Schedule of Specific Commitments
(For the First Package of Commitments)

LAO PDR- SCHEDULE OF SPECIFIC COMMITMENTS

| Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons | | | | | | |
|---|--|--|-------------------------------|--|--|--|
| Sector or Subsectors | Limitation on Market Access | Limitation on National Treatment | Additional Commitments | | | |
| I. HORIZONTAL SECTION ALL SECTORS INCLUDED IN THIS SCHEDULE | | | | | | |
| | | | | | | |
| Land ownership | | 3), 4) Non-Lao natural and juridical persons are not allowed to own land but may own premises and lease land up to 75 years. | | | | |
| Subsidies and investment incentives | | 1), 2), 3), 4) Unbound with respect to subsidies, investment incentives and other state support measures, eligibility for which may be limited to particular regions, categories of persons, or enterprises. | | | | |
| Commercial presence | <p>3) Foreign individuals or legal entities shall be registered their businesses in accordance with the Law on Promotion of Foreign Investment, Enterprise Law and other related Laws and Regulations</p> <p>3) Unbound for measures related to publicly funded services including with respect to national treatment.</p> <p>3) NGOs are not covered in this schedule</p> | <p>3) Foreign investors shall have an obligation to provide training, upgrade professional skills and transfer of technology, as well as to promote Lao nationals to higher skilled and specialized positions, including managerial.</p> <p>3) Tax measures, generally pertaining to small and medium enterprises may result in a difference of treatment in favour of Lao services and service suppliers.</p> | | | | |
| Movement of natural persons providing services | 4) Unbound, except for measures affecting the temporary entry and stay of natural persons who qualify under one of the following categories, and in all cases, total number of foreign natural persons, including higher | 4) Unbound, except for measures concerning the categories of natural persons referred to in the market access column. Unbound for all measures relating to social insurance schemes including <i>inter alia</i> unemployment and pension benefits. | | | | |

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| | <p>management, of any establishment shall not exceed 10% of the total staff:</p> <p>A. Services sales persons</p> <p>A natural person who:</p> <ul style="list-style-type: none"> - enters Lao PDR to be engaged in activities related to representing a services supplier for the purpose of negotiating for the sale of the services of that supplier; and - stays in Lao PDR without receiving remuneration from sources within Lao PDR; and - does not engage in making direct sales to the general public or supplying services. <p>The temporary stay of the services sales persons is subject to a maximum duration of stay of thirty days.</p> | | | |
| | <p>B. <u>Intra-Corporate Transferees</u></p> <p>Natural persons who have been employed by a juridical person of another Member outside Lao PDR for a period of not less than one year immediately preceding the request for transfer to Lao PDR, who seek temporary entry to provide services through commercial establishment of that juridical person in Lao PDR, who cannot be substituted by Lao nationals, and who fall within one of the following categories:</p> | | | |

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| | <p>a) <u>Executives</u>: Natural persons within an organization who primarily direct the management of the organization, exercise wide latitude in decision-making, and receive only general supervision or direction from higher-level executives, the board of directors, or shareholders of the business. Executives would not directly perform tasks related to the actual supply of a service or services of the organization.</p> <p>b) <u>Managers</u>: Natural persons who possess knowledge at an advanced level of expertise or proprietary knowledge of a juridical entity product, service, research, equipment, techniques, or management, and who primarily direct the organization or a department of the organization; supervise and control the work of other supervisory, professional or managerial employees; have the authority to hire and fire or recommend hiring, firing or other personnel actions; and exercise discretionary authority over day-to-day operations. They do not include first-line supervisors, unless the employees supervised are professionals, nor do they include employees who primarily perform tasks necessary for the supply of the service.</p> | | | |

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| | <p>c) <u>Specialists</u>: Natural persons within an organization who possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organization's services, research equipment, techniques, or management and where there are shortages of Lao nationals with requisite skills.</p> <p>For the natural persons in the categories defined under intra-corporate transferees, temporary residency and work permit will be issued for six months which may be renewed for up to one year as long as conditions indicated for each category are satisfied.</p> | | | |

II. SECTOR SPECIFIC COMMITMENTS

BUSINESS SERVICES

A. Professional Services

| | | | |
|---|---|--|--|
| (e) Engineering services (CPC 8672) | <p>1) None</p> <p>2) None</p> <p>3) A juridical entity must be established through a joint venture with a Lao service supplier.</p> <p>4) Unbound, except for executives and managers as per conditions in the horizontal section</p> | <p>1) None</p> <p>2) None</p> <p>3) Unbound, except as indicated in the horizontal section</p> <p>4) Unbound, except for executives and managers as per conditions in the horizontal section</p> | |
| Urban Planning and Landscape Architecture Services (CPC 86741- 86742) | <p>(1) Unbound</p> <p>(2) None</p> <p>(3) Foreign architectural and engineering services suppliers</p> | <p>(1) Unbound</p> <p>(2) None</p> <p>(3) Unbound, except as indicated in Horizontal Section</p> | |

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| | <p>shall be registered in the following forms:</p> <ul style="list-style-type: none"> - A joint-venture with domestic partner(s) - A wholly foreign-owned enterprise - A Branch or Representative <p>a) Foreign equity not less than 30% (for joint venture)</p> <p>b) not applied for public funded and foreign granted projects</p> <p>(4) Unbound, except as indicated in horizontal Section</p> | | | |
| B. Other Business Services | | | | |
| Advertising Services (CPC 871) | <p>1) Unbound</p> <p>(2) None</p> <p>(3) shall be registered in accordance with the Law on Investment Promotion and concerned laws and regulation</p> <p>(4) unbound, except as indicated in the horizontal section</p> | <p>(1) Unbound</p> <p>(2) None</p> <p>(3) as indicated in the horizontal section</p> <p>(4) unbound, except as indicated in the horizontal section</p> | | |
| ENVIRONMENTAL SERVICES | | | | |
| Sewage Services (CPC 9401) | <p>(1) Unbound due to lack of technical feasibility</p> <p>(2) Unbound</p> | <p>(1) Unbound due to lack of technical feasibility</p> <p>(2) Unbound</p> | | |
| Refuse Disposal Services (CPC 9402) | <p>(3) Shall be registered in the forms:</p> <p>a) Joint venture, with minimum 30% foreign equity share</p> <p>b) 100% foreign-owned enterprise</p> | <p>(3) Unbound, except as indicated in the horizontal section</p> | | |
| Sanitation and Similar Services (CPC 9403) | | | | |
| Nature and Landscape Protection Services (CPC 9406) | <p>(4) Unbound, except as indicated in the horizontal section</p> | <p>(4) Unbound, except as indicated in the horizontal section</p> | | |

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| CONSTRUCTION AND RELATED ENGINEERING SERVICES | | | | |
| Pre-erection work at construction site (CPC 511) | (1) None (2) None (3) A juridical entity must be established through a joint venture with a Lao service supplier. | (1) None (2) None (3) Unbound, except as indicated in the Horizontal Section | (4) Unbound, except for intra-corporate transferees as per conditions in the horizontal section | |
| Construction work for civil engineering (CPC 513) | | | | |
| Assembly and erection of prefabricated constructions (CPC 514) | | | | |
| Installation and assembly work (CPC 516) | | | | |
| Construction work for buildings (CPC 512) | 1) Unbound due to lack of technical feasibility 2) None 3) A juridical entity must be established through a joint venture with a Lao service supplier who is a member of the Association of Lao Architects and Civil Engineers (ALACE). | 1) Unbound due to lack of technical feasibility 2) None 3) Unbound, except as indicated in the horizontal section | | |
| Special trade construction (CPC 515) | | | | |
| Building completion and finishing work (CPC 517) | | | | |
| Rental services related to equipment for construction or demolition of building works with operator (CPC 518) | 4) Unbound, except for intra-corporate transferees as per conditions in the horizontal section | 4) Unbound, except for intra-corporate transferees as per conditions in the horizontal section | | |
| PRIVATE EDUCATIONAL SERVICES | | | | |
| Technical and vocational secondary education services (CPC 9223) | (1) None (2) None (3) a. Joint venture, with minimum 30% foreign equity share b. 100% foreign-owned enterprise | (1) None (2) None (3) Unbound, except as indicated in the Horizontal Section | | |

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| | (4) Unbound, except as indicated in the Horizontal Section | (4) Unbound, except as indicated in the Horizontal Section | | | | |
| Higher education services (CPC 923) | (1) None (2) None (3) a. Joint venture, with minimum 30% foreign equity share b. 100% foreign-owned enterprise c. approved by the Government (4) Unbound | (1) Unbound (2) None (3) Unbound (4) Unbound | | | | |
| FINANCIAL SERVICES | | | | | | |
| Banking and other financial services (excl. insurance) | | | | | | |
| <i>Access by foreign services suppliers and the provision of financial services may be subject to measures adopted for prudential reasons.</i> | | | | | | |
| Acceptance of deposits and other repayable funds from the public (CPC 81115-81119) | (1) Unbound (2) Unbound (3) Unbound (4) Unbound, except for executives and managers as per conditions in the horizontal section | (1) Unbound (2) Unbound (3) Unbound (4) Unbound, except for executives and managers as per conditions in the horizontal section | | | | |
| Lending of all types, incl. Consumer credit, Mortgage credit, factoring and financing of commercial transaction (CPC 8113) | (1) Unbound (2) Unbound (3) None, except for mortgage factoring until necessary regulatory framework is in place (4) Unbound, except for executives and managers as per conditions in the horizontal section | (1) Unbound (2) Unbound (3) Unbound (4) Unbound, except for executives and managers as per conditions in the horizontal section | | | | |
| Guarantees and Commitments (CPC 81199**) | (1) Borrowing funds from abroad, issuing letters of guarantee and commitments shall be approved by the Bank of the Lao PDR. (2) Borrowing funds from abroad, issuing letters of guarantee and | (1) Borrowing funds from abroad, issuing letters of guarantee and commitments shall be approved by the Bank of the Lao PDR. (2) Borrowing funds from abroad, issuing letters of guarantee and | | | | |

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| | | commitments shall be approved by the Bank of the Lao PDR. (3) Unbound (4) Unbound, except for executives and managers as per conditions in the horizontal section | commitments shall be approved by the Bank of the Lao PDR. (3) Unbound (4) Unbound, except for executives and managers as per conditions in the horizontal section | |
| TOURISM AND TRAVEL RELATED SERVICES | | | | |
| Hotel lodging services (CPC 641-643) | (1) None (2) None (3) Unbound, except as indicated in the horizontal section, and standard required for a hotel to be developed is 3-stars or higher | (1) None (2) None (3) Unbound | | |
| Beverage serving services without entertainment (CPC 64310) | (4) Unbound, except as indicated in the Horizontal section. | (4) Unbound, except as indicated in the Horizontal Section | | |
| Meal serving services with full restaurant services (CPC 64210) | (1) None (2) None (3) Unbound, except as indicated in the horizontal section. (4) Unbound, except as indicated in the horizontal section | (1) None (2) None (3) Unbound (4) Unbound | | |

LIST OF MFN EXEMPTIONS

| Sector or sub-sector | Description of the measure indicating its inconsistency with Article II | Country or countries to which the measures applies | Intended duration | Conditions creating the need for the exemption |
|---|---|---|---|--|
| Audiovisual services Production, distribution and projection of cinematographic works and television programmes | Measures based upon government-to-government framework agreements, and plurilateral agreements, on co-production of audiovisual works, which confer National Treatment of audiovisual works covered by these agreements, in particular in relation to distribution, access to broadcasting transmission, and access to funding. | All countries with whom cultural cooperation may be desirable | Indefinite | These programmes aim at preserving and promoting the cultural identity of countries with which Lao PDR has a long-standing cultural link. |
| Internal waterways transport services | Preferential access granted to services and services suppliers originating in countries sharing access to Mekong river basin. | Parties to the International Framework Mekong Committee | Indefinite | The commitment of parties to achieve free navigation and develop regional Mekong river basin. |
| Land transport | Facilitation of freight and passenger transportation and transit transport agreements | Parties to the Greater Mekong Sub-region agreement | Indefinite | To facilitate tourism and trade, including freight and passenger transportation between the countries in the region and promote multimodal transport |
| Legal services | All measures pertaining to the provision of legal services in Lao PDR | Any countries | Indefinite | To maintain established preference. |
| Computer Reservation System | On the provision of the bilateral Air Service Agreement | All countries with whom Laos signed agreement on bilateral air services, currently they are: - Indonesia - Malaysia - Cambodia - Singapore - Myanmar - Vietnam - China - Thailand | Expiry date or termination of the bilateral agreements on air services. This will be reviewed for purpose of further | |

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| | | | development | |
| Auditing Services | Base on bilateral agreement | Countries in which related services can be supplied by Lao nationals. | Indefinite | |
| Publishing Newspaper | Permission granting has to be based on bilateral agreement | All countries | Indefinite | |
| Banking and other financial services | Measures affecting the supply of banking and other financial services to be granted on a bilateral favorable basis with countries Laos has agreement | All countries | Indefinite | |