

**Protocol to Implement the Nine Package of Commitment on Financial Services  
under the ASEAN Framework Agreement on Services**

**LAO PDR  
SCHEDULE OF SPECIFIC COMMITMENTS**

**LAO PDR**  
**SCHEDULE OF HORIZONTAL COMMITMENTS UNDER AFAS**

Modes of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

| Sector or Subsector                   | Limitations on Market Access   | Limitations on National Treatment   | Additional Commitments |
|---------------------------------------|--|---|------------------------|
| <b>I. HORIZONTAL COMMITMENTS</b>      |  |   |                        |
| ALL SECTORS INCLUDED IN THIS SCHEDULE | <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 component authority and of licensing by the Foreign Investment 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 investor.</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>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 enterprise 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 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> |                        |

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

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

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|                     | <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>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</p> | <p>4) Foreign service suppliers and their foreign personnel working within the Lao PDR shall pay to the Lao Government personal income tax, calculated in accordance with the provisions of the applicable laws and regulations of the Lao PDR.</p> |                        |

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|                     | <p>regulations while they are on the Lao territory.</p> <p>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> |                                   |                        |

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| <b>A. All insurance and insurance related services.</b><br><br>Direct branching is not allowed. Financial institution in Lao PDR must adopt a specific legal form. All the commitment are subject to entry requirements, domestic laws, rules and regulations and the terms and conditions of the Ministry of Finance and/or any other competent authority in Lao PDR, as the case may be. Insurance companies are restricted from offering both Life and Non-life insurance services. Excluded from the scope of these commitments are compulsory insurance, including but not limited to social security fund. |  |   |                        |
| a. Direct insurance (including co-insurance)<br><br>a) Life insurance<br>b) Non-life insurance   | 1) None<br>2) None<br>3) None<br>4) Unbound, except the following:<br>a. Only senior manager, experts are allowed. The entry and movement of the mentioned natural persons in Lao PDR shall be approved in accordance with the labor law of Lao PDR. | 1) None<br>2) None<br>3) None<br>4) Unbound, except as specified in the Limitation on market Access.<br><br>Foreign service supplier 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 regulation of the applicable laws and regulation of the Lao PDR. |                        |

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| b. Reinsurance and retrocession   | 1) None<br>2) None<br>3) None<br>4) Unbound, except the following:<br>Only senior manager, experts are allowed. The entry and movement of the mentioned natural persons in Lao PDR shall be approved in accordance with the labor law of Lao PDR | 1) None<br>2) None<br>3) None<br>4) Unbound, except as specified in the Limitation on market Access.<br>Foreign service supplier 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 regulation of the applicable laws and regulation of the Lao PDR |                        |
| <b>FINANCIAL SERVICES, EXCLUDING INSURANCE</b><br>Horizontal Commitments Applicable to the Financial Services Sector<br>Financial institution in Lao PDR must adopt a specific legal form.<br><br>All the commitments are subject to entry requirement, domestic laws, rules and regulations and the terms and conditions of the Bank of Lao PDR, the Ministry of Finance and/or any other competent authority in Lao PDR, as the case may be. Commitment is with respect to commercial banking only and limited to financial institutions licensed to provide banking services. Foreign juridical person must incorporate as either a joint stock or limited liability company, but not incorporate as a sole ownership limited liability company. |  |  |                        |

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| <b>FINANCIAL SERVICES, EXCLUDING INSURANCE</b><br><b>Horizontal Commitments Applicable to the Financial Services Sector</b><br><br>Financial institutions in Lao PDR must adopt a specific legal form.<br>All the commitments are subject to entry requirements, domestic laws, rules and regulations and the terms and conditions of the Bank of Lao PDR, the Ministry of Finance and/or any other competent authority in Lao PDR, as the case may be. Commitment is with respect to commercial banking only and limited to financial institutions licensed to provide banking services. Foreign juridical person must incorporate as either a joint stock or limited liability company, but not incorporate as a sole ownership limited liability company. |   |   |                        |
| <b>B. Banking and Other Financial Services</b>   |   |   |                        |
| 1. Acceptance of deposits and other repayable funds from the public (CPC 81115 – 81119)  | 1) None<br>2) None<br>3) Refer to Commercial Banks Law<br>4) Unbound, except as indicated in the horizontal commitments   | 1) None<br>2) None<br>3) Refer to Commercial Banks Law<br>4) Unbound, except as indicated in the horizontal commitments   |                        |
| 2. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction (8113)  | 1) None<br>2) None<br>3) Refer to Commercial Banks Law<br>4) Unbound, except for the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in | 1) None<br>2) None<br>3) Refer to Commercial Banks law<br>4) Unbound, except for the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in |                        |



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| 3. Financial leasing (CPC 8112)                              | 1) Unbound<br>2) Unbound<br>3) Refer to Decree on Leasing<br>4) Unbound, except as indicated in the horizontal commitments   | 1) Unbound<br>2) Unbound<br>3) Refer to Decree on Leasing<br>4) Unbound, except as indicated in the horizontal commitments   |                               |
| 4. All payment and money transmission services (CPC 81339**) | 1) None<br>2) None<br>3) None<br>4) Unbound, except as indicated in the horizontal commitments   | 1) None<br>2) None<br>3) None<br>4) Unbound, except as indicated in the horizontal commitments   |                               |
| 5. Guarantees and commitments (CPC 81199**)                  | 1) None<br>2) Unbound unless it is approved by the Bank of the Lao PDR<br>3) Refer to the Commercial Bank Law<br>4) Unbound, except the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in | 1) None<br>2) Unbound unless it is approved by the Bank of the Lao PDR<br>3) Refer to the Commercial Bank Law<br>4) Unbound, except the case of cooperation in line with the necessity of economy, allow for management level and expertise level to come in |                               |

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| <p>6. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <ul style="list-style-type: none"> <li>• Transferable securities</li> <li>• Foreign exchange</li> </ul> <p>(CPC 81321*)</p> | <p>1) Unbound</p> <p>2) Refer to Law on Management of Foreign Exchange.</p> <p>3) Being a domestic or foreign commercial bank, a domestic foreign insurance company or a foreign securities company with shareholding of up to 100 percent of the company's total outstanding shares. For other juristic persons and persons, a joint partnership with commercial bank, insurance company or securities is required, with a shareholding ratio determined by the Lao Securities Commission.</p> <p>4) Unbound except as indicated in horizontal commitments</p> | <p>1) Unbound</p> <p>2) Refer to Law on Management of Foreign Exchange.</p> <p>3) Being a domestic or foreign commercial bank, a domestic foreign insurance company or a foreign securities company with shareholding of up to 100 percent of the company's total outstanding shares. For other juristic persons and persons, a joint partnership with commercial bank, insurance company or securities is required, with a shareholding ratio determined by the Lao Securities Commission.</p> <p>4) Unbound except as indicated in horizontal commitment</p> |                        |

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| 7. Participation in issues of all kinds of securities, incl. underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues (CPC 8132) (*MS) | 1) Unbound.<br>2) Unbound<br>3) Unbound except for foreign participation is allowed on the basis of establishment of a joint venture security company<br>4) Unbound except for categories of horizontal commitments | 1) Unbound<br>2) Unbound<br>3) Unbound except on the basis of Regulation promulgated by SEC<br>4) Unbound except for categories of horizontal commitments |                               |
| 8. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services (CPC 8131). (*MS)                                  | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments  | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments  |                               |

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| 9. Money broking (CPC 81339**i)   | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments  | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments |                        |
| 10. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services (CPC 81323*) | 1) Unbound<br>2) Unbound<br>3) For Fund management, Shall be permitted to establish in accordance to the Securities Law and relevant regulations issued by the Lao Securities Commission.<br>4) Unbound except for categories of horizontal commitments | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments |                        |

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| 11. Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments (CPC 81339** or 81319**) (*MS)   | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments   | 1) Unbound<br>2) Unbound<br>3) Unbound<br>4) Unbound except for categories of horizontal commitments   |                        |
| 12. Advisory, intermediation and other auxiliary financial services on all the activities listed in sub-sectors 6. above incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy (CPC 8131 or 8133) (*MS) | 1) Unbound, except for credit rating and asset valuation companies which are indicated in related regulations promulgated by Lao Securities Commission Office<br>2) Unbound<br>3) Unbound except for financial investment advisory related to security investments are allowed to operate through joint venture security company between foreign security company and commercial bank registered in Lao PDR.<br>4) Unbound except for categories of horizontal commitments | 1) Unbound, except for credit rating and asset valuation companies which are indicated in related regulations promulgated by Lao Securities Commission Office<br>2) Unbound<br>3) Unbound except on the basis of regulations promulgated by SEC.<br>4) Unbound except for categories of horizontal commitments |                        |

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