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Introduction



Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2024, we are pleased to share with you our *2023 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2023, as well as consider the terrain of the road that lies ahead in 2024. In the "**Looking Back: 2023**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2023. In the "**Gazing Into: 2024**" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provides some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2023 year-in-review of the Regional Round-up*:

- [Cambodia](#)
- [China](#)
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Looking Back: 2023

*In 2023, Laos had its share of challenges amidst a global backdrop of economic crises, the spillover effects of conflicts in Ukraine, as well as the Israel-Hamas war, not to mention the fact that inflation in Laos remained high in 2023. The Government released various legal and regulatory issuances to enhance the socio-economic status of the country. 2023 also saw the issuance of (i) the Notice on **Minimum Wage Increase**; (ii) the Notice on **List of Goods Requiring Import-Export Registration**; (iii) the Notice on Use of the **Accounting Program** for the Non-Banking Financial Institution Proposed to Be Established; and (iv) the **Amended Law on Electronic Transactions**.*

*In addition, the National Assembly voted to approve the draft of the **Law on Payment System** (Revised Version) following the presentation made by the deputy governor of the Bank of Lao PDR ("**BOL**") on the reasons for the need to revise the law. The Law on Payment System 2017 has been in force for six years, and serves as the main basis for the development of the online payment system of Laos to facilitate its expansion and improvement.*

*BOL also issued a **Notice on Determining the Limits of Electronic Money Services** to commercial banks, non-banking financial institutions and legal entities that are electronic money service providers in Laos.*

Summaries of these key developments are provided below.

Foreign Investment – Notice from PMO on Minimum Wage Increase

On 16 August 2023, Notice No. 1502/PMO on Minimum Wage Increase ("**Notice**") was issued by the Laos' Prime Minister's Office. The Notice provides for the increase of minimum wage for all employees in Laos for 2023. This increase is a continuation of the increases in minimum wage pursuant to Prime Minister's Notice No.829/PMO dated 13 June 2022.

The Notice increases the minimum monthly wage from LAK1.3 million (approximately US\$66) to LAK1.6 million (approximately US\$82), in accordance with an agreement concluded in the Government's ordinary session on 28 July 2023. The new minimum wage rate took effect on 1 October 2023. Click [here](#) for more information.

Banking & Finance – Notice on the Use of Accounting Programs for Non-Banking Financial Institutions

On 11 October 2023, BOL issued Notice No.613/BOL on Use of the Accounting Program for the Non-Banking



Financial Institution Proposed to Be Established ("**Notice**"). The Notice from the Department of Non-Banking Financial Institutions of BOL informs individuals, legal entities and organisations to comply with the relevant conditions and regulations if they wish to establish non-banking financial institutions such as deposit-taking micro-finance institutions, non-deposit-accepting micro-finance institutions, credit and savings cooperatives, credit leasing companies and pawn shops. In particular, they must have an accounting program to help in recording, collecting data and summarising the results of activities in order to create financial reports and other related reports.

Corporate Commercial – Notice on Determining Limits of Electronic Money Services

On 17 July 2023, BOL issued Notice No.717/BOL on Determining the Limits of Electronic Money Services ("**Notice**") informing commercial banks, non-banking financial institutions and legal entities that are electronic money service providers in Laos on determining the limits of electronic money services (EMS). This is based on changing domestic and international economic conditions that have led to higher prices of goods and services. The Notice replaced the Notice on Determining the Limits of Electronic Money Services No. 730/BOL dated 8 September 2021. Click [here](#) for more information.

Foreign Investment – Notice on List of Goods Requiring Import-Export Registration

On 5 September 2023, the Ministry of Industry and Commerce ("**MOIC**") issued Notice No.1941/MOIC on List of Goods Requiring Registration for Goods Importer-Exporter ("**Notice**"). The Notice seeks to monitor the movement and payment of foreign currency from the import and export of goods by enterprises that are engaged in the import and export of goods throughout the country. Click [here](#) for more information.

Banking & Finance – National Assembly Votes to Approve Draft Law on Payment System (Revised Version)

On 10 November 2023, the committee in charge of drafting the Law on Payment System (revised version) ("**draft law**"), as represented by the deputy governor of BOL Mrs Watana Dalaloy, presented a summary of the reasons for the need to revise the draft law and the results

of the proposed revisions before the National Assembly. The members of the National Assembly then voted to approve the draft law on 20 November 2023. The Law on Payment System No.32/NA, dated 7 November 2017, has been in force for six years, and serves as the main basis for the development of the online payment system of Laos to facilitate its expansion and improvement.

Banking & Finance – Amended Law on Electronic Transactions

On 23 March 2023, the Amended Law on Electronic Transactions No.31/NA, which was issued on 29 December 2022 ("**Amended Law**"), was published in the Official Gazette of Lao PDR. The Amended Law came into effect on 7 April 2023. It replaces the Law on Electronic Transactions No.20/NA dated 7 December 2012.

Under the Amended Law, "electronic transaction" refers to the provision of services wholly or partially through electronic means such as trading, making payments, and licensing through an online system. The Amended Law applies to domestic and foreign individuals, legal entities or organisations who are conducting activities relating to electronic transactions in Laos. Click [here](#) for more information.

Gazing Into: 2024

Laos is preparing to take up the **Chairmanship of the Association of Southeast Asian Nations ("ASEAN")** for the third time in 2024. Unlike its previous experiences as chair in 2004 and 2016, 2024 may prove to be even more demanding as Laos is expected to lead ASEAN through another tumultuous year of challenges. Like previous chairs, Laos has promised to keep ASEAN relevant by enhancing its resilience and promoting its centrality to overcome these challenges. As a small and landlocked country in ASEAN, Laos is vested in amplifying its interest and broadening its economic options. As such, it has pulled out all the stops to succeed in its Chairmanship.



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In order to **facilitate and monitor the flow of foreign direct investment** to effectively contribute to the socio-economic development of the country, BOL issued the **Decision on the Management of Foreign Exchange on Direct Investment From Abroad**. The decision sets out the principles, regulations and measures relating to the management of foreign exchange arising from direct investments from abroad, for purposes of fostering the ability to adapt to various economic situations that Laotians may face.

In 2019, foreigners were allowed to own condominium units in Laos under the amended Law on Land. With the substantial growth and development experienced by Laos in recent years, it intends to promote investment in the country with the recent publication of the **Decree on Condominium**.

In addition, the following key trends and/or developments are to be noted:

- **Inflation** has increased consumption costs, reduced household spending on food, education, and health, and depleted savings, thereby placing many households at risk of falling into poverty. To **restore economic stability**, it is crucial that ongoing debt renegotiations are successfully concluded and more revenues are raised to minimise spending on human capital;
- The Ministry of Information, Culture and Tourism (MICT) has revealed key target milestones and achievements of the tourism industry in Laos for the first six months of this year, along with plans to welcome over four million visitors through the tourism campaign "**Visit Laos Year 2024**", aiming for a revenue of US\$712 million. The Government has also renovated its infrastructure, produced various tourism advertising materials and

quick response (QR) codes containing information on tourism sites in Laos, and created a tourism handbook, along with other initiatives that align with the 2021-2023 tourism development plan; and

Summaries of some of the 2023 developments leading to the trends highlighted above are provided below.

Banking & Finance – Decision on the Management of Foreign Exchange on Direct Investment From Abroad

On 21 December 2023, BOL issued the Decision on the Management of Foreign Exchange on Direct Investment From Abroad No. 1225/BOL ("**Decision**"), replacing Articles 2, 5 and 7 of the Decision on Bringing Capital into and out of Lao PDR and Lending or Receiving Loans and Trade Credits with Foreign Countries No. 453/BOL dated 30 May 2019. Under the Decision, "direct investment from abroad" is defined as importing capital to conduct business in the Lao PDR by foreign investors with a shareholding of 10% or more in the form of unilateral investment or joint investment with the public sector, state-owned enterprises or domestic private sector. Foreign currency management regarding foreign direct investment is the implementation of principles, regulations and measures regarding the opening and use of deposit accounts related to investment, resulting in increased capital flow into Laos in accordance with the laws and regulations.

Corporate Governance – Decree on Condominium

The Decree on Condominium No.352/NA ("**Decree**") was issued on 14 November 2023. The key features of the Decree include:

- (a) **Scope.** The Decree applies to individuals, legal entities and organisations, including aliens, stateless people, foreigners, foreigners of Lao descent, and organisations of such persons who live and are active in condominium works in Laos.
- (b) **Application for registration and licences.** Interested individuals and entities must apply for the below certificate and licences with the relevant government agencies before they can be issued a land title for a condominium.

	Type	Government agency
1.	Enterprise Registration Certificate	Ministry of Industry and Commerce
2.	Condominium Business Operating License	Ministry of Natural Resources and Environment
3.	Permission to construct a condominium	Public Works and Transportation Sectors
4.	Land registration	Natural Resources and Environment (provincial level)

- (c) **Types and registration of ownership of suites** in condominiums;
- (d) **Ownership and land use rights** in condominiums; and
- (e) **Cancellation, payment of debts, and distribution of property** from the cancellation of land registration for condominium construction.

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