

Ministry amends law on single window service for investors

Times Reporters

The Ministry of Planning and Investment is amending the law on the single window service and its management in a bid to streamline the process of registering and setting up a business in Laos.

It was realised that the current system was inefficient and was causing delays in the issuing of investment licences.

“The existing system doesn’t work well because management is weak and there are too many delays in communication between the various government departments involved,” Director General of the ministry’s Investment Promotion Department, Mr Manothong Vongsay, said on Friday.

“The staff and officials who work in the offices that provide this service are only representatives of the related state sectors and do not have the right to make decisions or approve any of the documents and forms submitted,” he said.

“They have to take these documents, which request an investment licence, to higher level officials and wait for them to be approved and signed. This causes long delays and does not meet the required deadline.”

It is hoped that amendments to the regulations will make this service more efficient by setting up an Investment Promotion and Management Committee.

“This committee will comprise officials from the relevant state agencies that have the right to make decisions on issues or resolve

problems and can issue or approve investment licences,” Mr Manothong said.

“The committee will meet frequently and also hold urgent meetings to ensure that this important work is not delayed and is completed on time.”

The single window service currently has three offices - one at the Ministry of Planning and Investment, one at the Ministry of Industry and Commerce, and another in the Vientiane economic zone.

“The service is not properly implemented and the existing system is inefficient. This is the conclusion drawn by evaluations and reports from international organisations such as the Asian Development Bank, World Bank and others,” Mr Manothong said when speaking at a recent Public Consultation Workshop on the 2009 Investment Promotion Law Revision.

“Their evaluations recommend that the single window service be centralised at one location and should be operated by the National Production Promotion Office. This is what takes place in other countries,” he added.

This means the single window service would have one representative office in Vientiane and one in each province to facilitate investment by both local and foreign businesses.

Changes to the single window service fall under one regulation contained in the Investment Promotion Law. This law is currently being amended by the Ministry of Planning and Investment

which hopes to submit a draft amendment to the National Assembly in the next two months, after several years of discussion to update and clarify the content.

The ministry expects to submit it to the National Assembly in October, with the final version to be agreed on after talks began in 2013. It hopes the Assembly will approve the amendment this year.

If it is not approved and needs further work, officials from the state sectors involved will need to engage in further discussions.

The ministry has amended some articles that were unclear and were difficult to implement, causing delays and wasting time. The changes should result in the fast approval of investment licences and greater transparency, and improve investment promotion by speeding up the processing of requests for investment licences and their approval, as well as project sale and transfer.

The law must also relate to agreements Laos has made with other countries to ensure it does not differ significantly from those of neighbouring countries and others in the region.

The Investment Promotion Law came into effect in 1988 and has been amended three times - in 1994, 2004 and 2009. Now the ministry is preparing the fourth amendment. The changes will bring the law in line with today’s investment climate and improve conditions for both local and foreign investors.



Participants pose at a signing ceremony in Vientiane on Friday to award BFL a grant from UNCDF’s SHIFT Challenge Fund to expand businesses through Digital Financial Services.

Lao-French bank receives UN support for female-run businesses



BFL Managing Director Mr Guillaume Perdon (right) addresses the signing ceremony.

Advertorial Desk

Banque Franco Lao Ltd (BFL) has been awarded a grant by UNCDF’s SHIFT Challenge Fund’s Second Window for Women’s Financial Inclusion, funded by the Australian Government.

The UN Capital Development Fund (UNCDF) is the UN’s capital investment agency for the world’s 48 least developed countries.

The grant will be used to implement a payment digitisation initiative involving small female-run retail businesses in Laos in partnership with Lao companies who have retailers in their supply chains.

BFL plans to promote access to Digital Financial Services for 7,000 retailers, mainly comprising small female-run businesses. BFL will be moving distribution chain finance to electronic money in the future and will then use it as a launch pad for

a Digital Financial Services offer available on mobile phones.

A signing ceremony for the award to BFL by the UNCDF SHIFT Challenge Fund to expand financial businesses through Digital Financial Services took place in Vientiane on Friday between UNCDF Regional Coordinator (Asia) Mr Feisal Hussain and BFL Managing Director Mr Guillaume Perdon.

The ceremony was also attended by the Australian Ambassador to Laos, Mr John Williams.

The initiative will enable clients and non-clients to access an account and various financial services such as fund transfers, bill payment and cash-in/cash-out. These activities are being launched in line with BFL’s strategic initiative to better address the female entrepreneur market.

This BFL project will be supported by UNCDF’s SHIFT Challenge Fund’s second window, titled Fostering Innovative Business Models for Women’s Financial Inclusion, to expand financial access by the Lao population through Digital Financial Services.

The grant has been awarded to BFL for a two-year project estimated to cost US\$750,000, of which BFL will invest US\$46,000 with UNCDF SHIFT to provide the remaining amount as a grant.

The project aims to pilot and establish digital financing to distribution chains and women’s businesses, benefiting over 20,600 users

in Vientiane and in the main provinces of Laos by 2018. It complements the Bank of the Lao PDR’s active promotion of Digital Financial Services to widen access to financial services by rural and poor people.

The financing agreement will support BFL’s social development impact by targeting not only its core market segments - corporate, small and medium enterprises and individual clients - but also micro and very small businesses owned or managed by women that are currently underserved or excluded from the formal financial system.

Banque Franco Lao Ltd is co-owned by the BRED Group, the largest commercial bank within the BPCE Group in France, and BCEL, the main Lao public bank, and opened for business in Laos in 2010.

Today, BFL owns a network of 22 service units, with 12 in Vientiane, 10 in key towns outside the capital and 43 ATMs across the country.

BFL offers a wide range of loan, deposit and debit card products to more than 22,000 retail and business customers. BFL’s ambition is to provide innovative banking solutions and to support the people of Laos in building a sustainable future.

UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

The agency’s finance models work through financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives.

UNCDF expands financial inclusion in Laos through its joint programme Making Access to Finance more Inclusive for Poor People, through the Bank of the Lao PDR and its Asean-wide programme Shaping Inclusive Finance Transformations, both with generous contributions from the Australian Government, Department of Foreign Affairs and Trade.

Exchange rates as of August 26, 2016

Banque pour le Commerce Extérieur Lao Public

Foreign Currencies	Buying	Selling
US Dollar 50-100	8,071	8,108
Thai Baht	234.13	235.88
Euro 50-500	9,106	9,151