

Datasheet for business formalities.

Technical Assistance for Business Regulation Review and Rationalization in Lao PDR

REGISTRATION DATA		
Name of formality	License to Establish a Deposit-Taking Microfinance	
Type of formality	License	
Formality Code	Date of last modification	Responsible Authority
BoL-FISD-5	28.12.2017	Financial Institution Supervision Department

BACKGROUND DATA	
Means of presentation	At the Authority Offices
Specific sector linked to the formality	K - Financial and insurance activities
Purpose for enforcing the business formality	Microfinance aims at providing financial service to the poor, the low-income household and small income-generating business that are the most vulnerable group in the society, therefore, it is very necessary to manage and control the issuance of license for the business operator.
Who should complete this business formality?	Any individual or legal entity that intends to provide Deposit-taking Microfinance which means the microfinance institutes that take deposit from the general public, gives micro credits and provides other microfinance services in Lao Kip currency with the limited ratio of credit and deposit in LAK that the institution can give (i.e. maximum credit amount of not more than 50 Million LAK)
The formality has online information?	YES
Link to online information	https://www.bol.gov.la/laoweb/microfinancelao4.html
The formality has an application form?	YES
Any additional comment concerning the formality	1. Within 30 days after receiving this formality, the applicant shall apply for the Enterprise Registration Certificate and the Tax Certificate with the competent authorities pursuant to the relevant laws. 2. From 1 March 2017 to 28 February 2019, the Department will suspend the issuance of the License to Establish Deposit-Taking Microfinance

REQUIREMENTS AND SUPPORTING EVIDENCE		
Time it takes to the authorities to process the formality	60	1. Bank of Lao PDR shall review and issue the Temporary License within 30 days after receiving the complete set of document 2. Bank of Lao PDR shall review and issue the Permanent License within 30 days after (i) the payment of registered capital in full in the bank account opened with the Bank of Lao PDR; and (ii) the on-site

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REQUIREMENTS AND SUPPORTING EVIDENCE	
	inspection of the readiness to provide services
Qualifications needed by the business to get the formality	1. Complete the personnel in accordance with the organizational structure; 2. Having qualified and experienced management team in the field of financial, banking and other relevant fields for at least 2 years and having standardised staff for the operation of microfinance 3. Having clear shareholding structure 4. Having good financial conditions and shall pay the registered capital in full; provided that the minimum registered capital shall not be less than 3 Billion LAK. At least 90% of the registered capital shall be cash capital and assets capital shall be the maximum of 10%. The foreign shareholder shall invest at the minimum of 10% but not more than 30%. 5. Having standardised office buildings and equipments as required 6. Having comprehensive operation, audit and internal management system 7. Having the readiness to provide the services 8. Shall be established in the form of the Company Limited with at least 5 promoting shareholders and at least one of the major shareholders shall have experiences in banking and microfinance fields. One major shareholder shall hold more than 20% of registered capital; provided, however, that the maximum capital held by that major shareholder shall not exceed 40%.
Is there any reason for the authority to deny the issuing of the formality?	1. The applicant, any of their shareholders or managers is conducting any illegal actions or is adjudicated not to operate a microfinance of banking business 2. The applicant does not comply with the qualification or does not submit the complete set of documents 3. All the documents submitted are unreliable 4. The submitted business plan is considered to be inefficient Any applicant that was denied shall be entitled to submit the written explanation to Bank of Lao PDR and the Bank of Lao PDR will permit the first resubmission of the application free of charge within 60 days after receiving the denial - the fee will only be collected for the resubmission of the application more than one time.

RENEWAL INFORMATION	
Does the formality have a validity or an expiration date?	How long will the formality be valid for? (in months)
NO	0
What is the process and conditions to renew the formality?	No need to renew but the enterprise shall pay the annual management fee

ISSUING FEES				
Has application fees?	Service fees businesses need to disburse	Certificate fees businesses need to disburse	Application fees businesses need to disburse	Total fees businesses need to disburse
YES	15000000.00	3000000.00	0.00	18000000.00

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ISSUING FEES	
Comments	Reference: BOL Instruction No. 01/BOL, dated 19 April 2016 Service fee shall be collected at the rate of 0.5% of the registered capital (minimum capital is 3 Billion LAK)

RENEWAL FEES				
Has renewal fees?	Service fees businesses need to disburse	Certificate fees businesses need to disburse	Renewal fees businesses need to disburse	Total renewal fees businesses need to disburse
YES	0.00	6000000.00	0.00	6000000.00
Comments	Reference: BOL Instruction No. 01/BOL, dated 19 April 2016 Not the renewal fee but the Annual Management Fee that shall be paid within the January each year at the rate of 0.02% of the averaged assets or at least 0.2% of the registered capital (minimum registered capital of 3 Billion LAK)			

LEGAL FRAMEWORK			
Name	Number	Date	Comment
Instruction Implementing Decree on Microfinance	01/ທຫລ	19.04.2016	Chapter II Deposit-Taking Microfinance (Article 5 to 12)
Order on the Management of Deposit-Taking Microfinance	04/ທຫລ	20.06.2008	Chapter II Establishment and Revocation of the Operating License (Article 5 to 14)
Notice for the Temporary Suspension of the Issuance of the Operating Licenses for the Financial Institutions in Lao PDR	95/ກຄສງ	18.05.2017	
Decree on Microfinance Institution	460/ລບ	03.10.2012	Part II Deposit-Taking Microfinance Chapter 1 Establishment (Article 7 to 13)

REQUIRED DOCUMENTS	
Document Name	Comment
Certificate of the Capital Importation	
Certificate of Annual Tax Payment	
Power of Attorney (in case the applicant appoints the attorney to	

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REQUIRED DOCUMENTS	
proceed with the application)	
Organisation Structure of Board of Directors	
Copy of ID / family registry / passport of Investor	
Location Confirmation of Enterprise	
Address Certification	
Certificate for Enterprise Registration of Company Limited	ສໍາເນົາ
Certification of Financial and Asset / Financial Statements	ໃບຢັ້ງຢືນຖານະການເງິນຂອງຜູ້ຖືຮຸ້ນສ້າງຕັ້ງ - ຜູ້ຖືຮຸ້ນທີ່ເປັນບຸກຄົນຕ້ອງມີເອກະສານຕົ້ນຕໍເຊັ່ນ: ສໍາເນົາບັນຊີສໍາຮອງເງິນຝາກປະຢັດ ຫຼື ເງິນຝາກປະຈໍາຢ່າງໜ້ອຍ 6 ເດືອນ ຢັ້ງຢືນໂດຍທະນາຄານກ່ຽວຂ້ອງ, ໃບຢັ້ງຢືນກໍາມະສິດໃນຊັບສິນ ຫຼື ວັດຖຸທີ່ປະກອບເປັນທຶນ, ໃບແຈ້ງສະຫຼຸບຊັບສິມບັດ, ໃບແຈ້ງຊັບສິນ-ໜີ້ສິນ ຫຼື ເອກະສານການກູ້ຢືມທຶນ ແລະ ແຈ້ງທີ່ມາຂແງແຫຼ່ງທຶນ - ຜູ້ຖືຮຸ້ນທີ່ເປັນນິຕິບຸກຄົນຕ້ອງມີເອກະສານຕົ້ນຕໍເຊັ່ນ: ສໍາເນົາບັນຊີສໍາຮອງເງິນຝາກຢ່າງໜ້ອຍ 2 ປີ ຢັ້ງຢືນໂດຍທະນາຄານກ່ຽວຂ້ອງ, ບົດກວດສອບພາຍນອກ 2 ປີ ຍ້ອນຫຼັງ, ແຈ້ງຊັບສິນ-ໜີ້ສິນ ຫຼື ເອກະສານການກູ້ຢືມ ແລະ ແຈ້ງທີ່ມາຂອງເງິນລົງທຶນ
Copy of Passport of the Managing Director	
Feasibility Study	
Receipt for Fee Payment	ໃບຢັ້ງຢືນຮັບເງິນຈາກກົມບໍລິການ ທະນາຄານແຫ່ງ ສປປ ລາວ ຫຼື ແຊັກເງິນສິດ
Business Plan	ແຜນການດໍາເນີນທຸລະກິດ 3 ປີທໍາອິດ
Location Map of the Enterprise	
Article of Association	
Joint Venture Agreement / Partnership Agreement / Incorporation Agreement	
List of Shareholder	
Criminal Certificate	ໃບແຈ້ງໂທດຂອງຜູ້ບໍລິຫານ
Curriculum vitae of Managing Director	ຊີວະປະຫວັດຂອງຜູ້ຖືຮຸ້ນລາຍໃຫຍ່ ແລະ ຜູ້ບໍລິຫານ

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STATISTICS (Issue or/and renewed number)		
Year	Issued	Renewed
2016	0	17

LIST OF ATTACHED DOCUMENTS		
Name of document	Type of document	File of document
Application Form	Application form	5993a8e7bf97d.pdf