

Datasheet for business formalities.
Technical Assistance for Business Regulation Review and Rationalization in Lao PDR

REGISTRATION DATA		
Name of formality	License to Register a Non Deposit-Taking Microfinance	
Type of formality	License	
Formality Code	Date of last modification	Responsible Authority
BoL-FISD-8	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 Non-Deposit-taking Microfinance which means the microfinance institutes that gives micro credits, microfinance loans and other financial services, can mobilize capital from domestic and foreign loans by obtaining permission from the Bank of Lao PDR.
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 Non-Deposit-Taking Microfinance

REQUIREMENTS AND SUPPORTING EVIDENCE	
Time it takes to the authorities to process the formality	30
Qualifications needed by the business to get	1. Having good financial conditions 2. Having qualified and experienced management team in the field of financial, banking and other relevant fields and

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REQUIREMENTS AND SUPPORTING EVIDENCE	
the formality	having standardised staff for the operation of microfinance 3. Having a comprehensive system of operations, internal audit and control systems 4. Having the readiness to provide the services such as standardised office buildings and equipments as required 5. Having the minimum registered capital at 200 Million LAK; provided that the foreign investor can invest in this microfinance at the minimum ratio of 10% but not exceed 30%
Is there any reason for the authority to deny the issuing of the formality?	1. The applicant 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 3. All the documents submitted are unreliable. 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 within 30 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 renewal but the institute shall pay the annual management fee within 30 January; provided that the applicant shall be exempted for the annual management fee in their first year of operation.

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	0.00	500000.00	0.00	500000.00
Comments	Reference from BOL Instruction No. 01/BOL, dated 19 April 2016 Certificate fee shall be collected based on the registered capital at the rate of 0.5% of the registered capital (the minimum registered capital is 200 Million 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

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RENEWAL FEES				
NO	0.00	400000.00	0.00	400000.00
Comments	Reference: BOL Instruction No. 01/BOL, dated 19 April 2016 No renewal fee but the institution shall pay the Annual Management Fee at the rate of 0.02% of the averaged assets; or at least 0.2% of the registered capital (minimum registered capital of 200 Million LAK)			

LEGAL FRAMEWORK			
Name	Number	Date	Comment
Instruction Implementing Decree on Microfinance	01/ທຫລ	19.04.2016	Chapter III Non-Deposit-Taking Microfinance and Microfinance Project (Article 24 to 32)
Order on Management of Non-Deposit Taking Microfinance	02/ທຫລ	20.06.2008	Chapter II Establishment and Revocation of Non-Deposit-Taking Microfinance (Article 3 to 8)
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 III Non-Deposit-Taking Microfinance Chapter 1: Establishment and Operation (Article 54 to 58)

REQUIRED DOCUMENTS	
Document Name	Comment
Certificate of the Capital Importation	
Education Qualification Evidence	
Copy of ID / family registry / passport of Investor	
Certificate of Annual Tax Payment	
Certificate for Enterprise Registration of Company Limited	
Address Certification	
Curriculum vitae of Managing Director	
Location Confirmation of Enterprise	
Joint Venture Agreement / Partnership Agreement /	

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REQUIRED DOCUMENTS	
Incorporation Agreement	
List of Shareholder	
Criminal Certificate	
Power of Attorney (in case the applicant appoints the attorney to proceed with the application)	
Organisation Structure of Board of Directors	
Business Plan	ແຜນການດຳເນີນທຸລະກິດ 3 ປີທຳອິດໄດ້ແກ່: - ໃບສະຫຼຸບຊັບສິມບັດ - ແຜນຄາດຄະເນລາຍຮັບ - ລາຍຈ່າຍ 3 ປີທຳອິດ - ໃບລາຍງານຊັບສິມບັດຄົງທີ່ພ້ອມຕາຕະລາງການຄິດໄລ່ຫັກຄ່າຫຼ້ຍຫ້ຽນ
Location Map of the Enterprise	
Certification of Financial and Asset / Financial Statements	ໃບສະຫຼຸບຊັບສິມບັດ (ສະຫຼຸບຖານະຊັບສິນ, ໜີ້ສິນ ແລະ ຫິນ)
Article of Association	

STATISTICS (Issue or/and renewed number)		
Year	Issued	Renewed
2016	3	56

LIST OF ATTACHED DOCUMENTS		
Name of document	Type of document	File of document
Application Form	Application form	5993b570cd810.pdf