

# PANORAMIC

# FOREIGN INVESTMENT REVIEW

Laos



LEXOLOGY

# Foreign Investment Review

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## LAW AND POLICY

### Policies and practices

What, in general terms, are your government's policies and practices regarding oversight and review of foreign investment?

The general rule is that a 100 per cent foreign-owned investment is accepted under Lao law. Neither the [Law on Enterprise No. 33/NA, dated 29 December 2022](#) (the Law on Enterprise) nor the Law on Investment Promotion No. 62/NA, dated 28 June 2024 (the Law on Investment Promotion) contain blanket prohibitions preventing foreigners from holding 100 per cent of the share equity in a company in Laos. However, foreign investments in certain industries are subject to specific requirements, such as the necessity to partner with a Lao national. Some of these activities are listed in the [Notification of the List of Business Activities for Foreign Investors No. 1 327/MOIC.ERM, issued on 13 July 2015](#).

Laos' regulatory investment framework has historically lacked predictability and transparency regarding requirements for foreign investors to obtain appropriate licenses. Recent legislation and regulations have improved clarity. However, many foreign investment activities still face scrutiny from authorities, and local administrations still often make discretionary decisions, although there has been a real commitment from local authorities to reduce the latter practice.

The amended Law on Investment Promotion, published on 16 December 2024 in the [electronic official gazette](#), serves as the primary legislation for both foreign and domestic investments. Additionally, local authorities may impose further requirements on foreign investments through regulations pertaining to particular industries or sectors.

The Law on Investment Promotion differentiates between the following categories of activities in Laos:

- general business activities;
- concession activities; and
- activities to be operated within special economic zones (SEZ).

The Law on Investment Promotion further categorises general business activities into two groups: (1) activities included in the Controlled Business List; and (2) activities not included in the list. Business activities on the Controlled Business List are sensitive to national security, public order and/or national cultural traditions, as well as socio-environmental impacts. This legitimises further screening by relevant authorities before the necessary licences are issued to foreign investors. This list also helps maintain the competitiveness of Lao operators in certain business activities. Requests from foreigners to engage in these activities in Laos will be thoroughly evaluated, requiring approval from all relevant authorities and government agencies.

Local authorities issued the Decree on the Approval of the Controlled Business List and Concession Activity of Lao PDR No. 334/PM, dated 22 July 2024 (the Decree on Controlled and Concession Activities). However, this regulation was not published in the official gazette. This decree replaced the [Decree on the Approval of the Controlled Business List and Concession Activ](#)

[ity of Lao PDR No. 03/PM, dated 10 January 2019](#). This decree clarifies which activities are considered controlled or concession activities and outlines the requirements and conditions for conducting these activities in Laos.

A concession activity involves the local government granting land use and related rights to a project developer to develop a particular project. Common examples include mining, energy projects (hydro, solar, wind, etc), large agriculture projects, and the development of special economic zones or industrial processing zones for exports. Some activities are classified as concession activities based on their nature, such as telecommunications (eg, virtual network operation and national fixed/mobile broadband transmission) and aviation (eg, airlines). The list of concession activities is non-exhaustive and remains subject to change by the government. Concessions are granted for up to 50 years, with possible extensions approved by the government, the national assembly, or the provincial assembly, depending on the type of investment.

Currency control and management by local authorities are important considerations for foreign investors. Local authorities closely scrutinise foreign exchange transactions, which are regulated under the Law on the Management of Foreign Currency No. 15/NA, dated 7 July 2022 (the Law on Foreign Currency), and the Prime Minister's [Order on the Implementation of Foreign Exchange Management No. 10/PM dated 14 July 2023](#)

(the Prime Minister Order No. 10). These regulations limit the use of foreign currency within the country to specified objectives, such as payment of foreign employees' wages or for imported goods imported, repayment of foreign loans and other commercial credit, repatriation or transfer of profits, dividends, principal, interest and other service charges incurred by foreign investors, as well as the transfer of funds for investment abroad, among others.

Additionally, the Law on Foreign Currency generally prohibits legal entities from making or receiving payments for goods or services, repaying debts, paying salaries, and fulfilling tax obligations to the state in foreign currency.

However, Prime Minister Order No. 10 has introduced flexibility by allowing payment to expatriate experts working in Laos in foreign currency. The order suggests that the government is considering more flexibility in using foreign currency in specific areas, such as special economic zones and casinos. These considerations are still in the project phase, and it remains to be seen if they will be formalised into official regulations.

On 21 December 2023, the Bank of Laos (BOL) issued the Decision on Foreign Exchange Management related to Foreign Direct Investment No. 1225/BOL, which requires that a Foreign Direct Investment Bank Account be opened with a Laos commercial bank in the event of foreign shareholding equal to 10 per cent or more in a locally established entity. This decision also mandates that foreign investors exchange foreign currency into Lao Kip before making payments for goods, services, debts, dividends, and salaries, and outlines the process for obtaining certificates on remittance and repatriation of registered capital.

Furthermore, the BOL issued the Guideline on Implementation of the Decision on Foreign Exchange Management related to Foreign Direct Investment No. 1646/BOL on 15 March 2024. This guideline classifies and defines bank accounts related to foreign direct investment, including foreign direct investment (FDI) accounts, import-export (EXIM) accounts, and general accounts.

**Law stated - 18 November 2025**

## Main laws

What are the main laws that directly or indirectly regulate acquisitions and investments by foreign nationals and investors on the basis of the national interest?

- [Law on Investment Promotion No. 62/NA, dated June 28, 2024;](#)
- [Notification of the List of Business Activities for Foreign Investors No. 1 327/MOIC.ERM, issued on 13 July 2015;](#)
- [Law on Enterprise No. 33/NA, dated 29 December 2022](#) (Law on Enterprise);
- [Instruction on the Implementation of Enterprise Registration No. 2406/MOIC, dated 22 December 2023](#) (Instruction on Implementation of Enterprise Registration);
- Decision on Foreign Exchange Management related to Foreign Direct Investment No. 1225/BOL, dated 21 December 2023 (Decision on Foreign Exchange Management related to Foreign Direct Investment);
- Guideline on Implementation of the Decision on Foreign Exchange Management related to Foreign Direct Investment No. 1646/BOL, dated 15 March 2024 (Guideline No. 1646);
- Law on the Management of Foreign Currency No. 15/NA, dated 7 July 2022 (Law on Foreign Currency);
- Prime Minister's Order on the Implementation of Foreign Exchange Management No. 10/PM dated 14 July 2023 (the Prime Minister Order No. 10);
- Decision on Management of Foreign Investors in the Sale and Purchase of Securities in Laos No. 13/LSC, dated 10 June 2021 (the Decision on Management of Foreign Investor in the Sale and Purchase of Securities in Laos);
- Decision on the Increase of Share Holding Ratio of Foreign Investors in EDL-Generation Public Company No. 030/LSC, dated 31 August 2015 (the Decision on the Increase of Share Holding Ratio of Foreign Investors in EDL-Generation Public Company);
- [Land Law No. 70/NA, dated 21 June 2019](#) (Land Law);
- Law on Business Competition No. 60/NA, dated 14 July 2015 (the Law on Business Competition); and
- [Notification of the Ministry of Industry and Commerce on Reserved Business Category List for Lao People No. 1328 dated 13 July 2015](#) (the Notification on Reserved Business for Lao People).

Law stated - 18 November 2025

## Scope of application

Outline the scope of application of these laws, including what kinds of investments or transactions are caught. Are minority interests caught? Are there specific sectors over which the authorities have a power to

## oversee and prevent foreign investment or sectors that are the subject of special scrutiny?

According to the current Law on Enterprise and the Instruction on the Implementation of Enterprise Registration, investors must first register a legal entity with the Ministry of Industry and Commerce (MOIC) in order to operate a business in Laos. This applies to general businesses, controlled businesses and investments in special economic zones, except for businesses exempted by specific regulations. If the activity is on the list of concession activities, then after the entity is incorporated via the MOIC, it must obtain a foreign investment licence as prescribed in the Law on Investment Promotions and obtain Business Operating licences from the relevant ministries based on the activities to be conducted.

The MOIC will review every incorporation application for procedural compliance. The MOIC, together with other relevant authorities, including the Investment Promotion and Management Committee (the Committee), the Ministry of Finance (MOF), are also responsible for ensuring that applicants abide by foreign share equity restrictions and obtain business operating licences required for the contemplated activities. While discretionary decisions are becoming less common, applications may still be rejected for national interests, even if not officially stated.

### Law on Investment Promotion

The Law on Investment Promotion expressly permits 100 per cent foreign-ownership of entities. Thus, wholly foreign-owned companies are formally recognised under Lao law. The law requires that authorisation to operate in Laos be obtained from the Committee, which will thoroughly examine the proposed operations. Additionally, the law refers to activities specified in the Decree on Controlled and Concession Activities. This decree imposes specific restrictions on foreign investment.

The Committee is the responsible authority for the consideration and approval of investments and consists of representatives from the MOIC and other relevant government agencies. The nature and amount of the investment will determine the Committee level involved in the approval process – the central or provincial committees. The central committee exclusively oversees the consideration and approval of controlled activities, concession activities that may have an adverse impact, and activities or investments aimed at the development of a SEZ.

The Committee's responsibilities extend beyond the initial investment approval. Subsequent approvals are required throughout the investment and the life of the legal entity engaged in business activities in Laos, particularly if modifications to the initial investment or project are contemplated. These modifications may include the transfer of shares, changes to the company's objectives, or the use of the concession or investment rights as a guarantee. The Committee can also suspend or cancel previously granted licences if investors do not meet requirements.

The Committee and the list of controlled and concession activities do not specifically target foreign investments. Instead, they aim to regulate the registration and approval processes for activities that are attractive to foreign investors.

Additionally, while the Law on Investment Promotion also does not specifically target foreign investment, it imposes further requirements on certain investments. For instance, it mandates approval from the national assembly for investments involving state equity participation exceeding 20 billion Lao kip in a public-private partnership; construction projects involving nuclear power plants; national investment project; the extension of concession term on SEZ; investment in casino businesses; businesses with significant impacts on the environment, nature, and society, including those affecting natural water flow; resettlement of 500 families or more and/or concession of land totalling 10,000 hectares or more; and other projects specified by law. A high degree of discretion in the approval of these projects can be expected.

For concession activities, concession agreements must be negotiated with appropriate local authorities. The responsible authorities are determined by the nature and size of the intended activity and of the investment. For instance, the authority overseeing electricity projects (eg, hydropower or solar power plants) could be at district, provincial or central (eg, ministry) level. Although not prescribed by law, government participation may be requested. This is often the case for hydropower plant projects and electricity generation projects in general, where government shareholding, directly or through state-owned entities, may be required. Similar conditions apply to sectors such as mining. These two sectors remain particularly significant in the Lao investment landscape.

### The Law on Enterprise

The Law on Enterprise regulates corporate governance and internal organisation of legal entities in Laos, regardless of their intended activities. This law also governs the registration process for general businesses that fall outside of the scope of the Decree on Controlled and Concession Activities. The Instruction on Implementation of Enterprise Registration has been issued to further regulate the registration process established by the Law on Enterprise. Notably, general businesses may be subject to restrictions or licensing requirements if stipulated in specific regulations, while certain activities may have additional governance rules, such as those in the commercial banking and insurance sectors. Examples of general business activities listed in the Decree on Controlled and Concession Activities subject to restrictions on foreign investment include:

- Wholesale and retail businesses are open to both domestic and foreign investors, subject to certain requirements for foreign investors. For example, foreign investors must have registered capital of more than 4 billion Lao kip, while no such requirement is imposed on local investors. Additionally, the amount of registered capital will determine the share equity a foreign investor may hold in a retail or wholesale business. To hold 100 per cent of the capital of a legal entity, registered capital of more than 20 billion Lao kip is required. For registered capital of between 10 billion Lao kip and 20 billion Lao kip, foreign equity participation can be up to 70 per cent. For registered capital of between 4 billion Lao kip and 10 billion Lao kip, foreign equity participation can be up to 50 per cent.
- Before 2025, the local government allowed foreign investors to hold up to 100 per cent equity in businesses engaging in the domestic transportation of goods. After the Decision on Obtaining Business Operation Approval for Public Work and Transport Businesses No. 14807/MOPWT, dated 25 June 2025, was issued and considered alongside the Instruction on Implementation of the Decision on Obtaining Business

Operation Approval for Public Work and Transport Businesses No. 05949/MOPWT, dated 21 March 2019, these decisions state that the local government will open investment to foreign investors in accordance with their obligations toward the WTO and the Association of Southeast Asian Nations (ASEAN), which may prevent foreign investors from becoming majority shareholders. Given Laos' strategic location within ASEAN (sharing borders with five countries and a hub between the ASEAN region and China), transportation is considered a highly promising industry. Although restrictions on wholly foreign-owned businesses in this sector limit market access to Lao nationals, local competition remains limited. Therefore, substantial investment is likely needed to strengthen the infrastructure and capacity of Laos' transportation sector.

- According to the current interpretation of the Ministry of Public Works and Transport (MPWT), the Lao government now prohibits foreign investors from holding 100 per cent equity in businesses engaged in both domestic and cross border transportation of goods. Foreign investors may hold only up to 49 per cent. This new requirement stems from recent government policy and internal meetings among government agencies. As of now, the MPWT has not yet issued a regulation to formally reflect this current interpretation.

#### The Decision on the Increase of Share Holding Ratio of Foreign Investors in EDL-Generation Public Company

According to this decision, the number of shares held by foreign investors in public companies may be limited by:

- resolution of the public company;
- regulation of relevant sectors; and
- periodic consideration by the Lao Securities Commission.

This Decision, issued by the Lao Securities Commission in August 2015, imposes further restrictions, including limiting foreign individuals to holding 1 per cent shares and foreign legal entities to holding 5 per cent shares in EDL-Generation Public Companies. In addition, the total shares held by foreign parties may not exceed 25 per cent of the total shares issued.

#### Land law

Land in Laos is owned by the national community and is centrally managed by the state. Lao nationals can be granted land use rights, which include the right to protect land, the right to use land, the right to usufruct, and the right to transfer land use rights and rights relating to inheritance of land use rights. Foreigners are not permitted to purchase land but can lease land for a limited period and own buildings on that land. However, upon expiry of the lease term, ownership in the building is transferred to the state. Foreign investors can also obtain land concessions from the state for specified concession activities for up to 50 years while the lease of land from a Lao individual for up to 30 years, with the possibility of renewal.

The Land Law published in August 2020 in the Lao official gazette, introduced several significant changes. One of the key changes is that foreign nationals can now claim proprietorship over apartments. The law also encourages foreign investment in areas such

as land exploration and survey, evaluation of land or construction standards, and land valuation.

In addition, while purchasing and selling land is still off limits to foreign parties, the law allows foreign nationals to claim ownership for a definite period and for specific projects, termed 'state-allocated limited land use rights'. These land use rights are restricted in two ways: time and purpose. The maximum term is 50 years, and the purpose is limited to developing specific real estate projects. Examples include residential areas providing various daily services for residents, and/or construction of condominiums, apartments, or houses.

This limitation on the types of activities distinguishes state-allocated limited land use rights from standard land concessions, which typically do not have such restrictions. Additionally, the process of purchasing state-allocated land use rights may prove faster than obtaining a land concession. However, this remains to be seen, as subsequent regulations detailing the implementation of the Land Law are yet to be issued. These forthcoming regulations will provide further clarity on the extent to which foreign legal entities may hold these limited land use rights, as well as other issues that directly affect business operations of foreign entities in Laos.

For instance, future regulations are expected to detail how land owned by Lao nationals may be used as an in-kind contribution to the registered capital of a legal entity with foreign participation. Currently, this is not possible and has posed serious obstacles to potential joint ventures between Lao and foreign investors. Real estate is often the only capital available to Lao nationals, and it is preferred over cash. As a result, local joint-venture partners are often unable to inject the required capital into the legal entity. A new regulation, expected to be issued shortly, may make this feasible.

#### Law on Business Competition

The Law on Business Competition addresses the abuse of market dominance and regulates mergers where two or more enterprises agree to transfer all of their legitimate assets, rights, obligations, and interests. It also covers acquisitions where an enterprise buys part or all of the assets of another enterprise to bring them under its ownership and administration.

This law establishes the Business Competition Commission (BCC). The BCC is tasked with advising the government on business competition issues and has the express duty to examine business mergers across all types of business activities in Laos.

Approval may be required when the intended transaction results in:

- the market share held in the relevant market exceeds the threshold defined by the BCC;
- a negative impact on market access and restraint of technological development; and/or
- a negative impact on consumers, other business operators, and/or the national socio-economic development.

The business competition landscape in Laos remains relatively new, and the BCC has not yet encountered any cases involving combinations of enterprises. Consequently, enterprises intending to file a merger notification should engage in prior consultation with the BCC to clarify the applicable procedures, filing timelines and evaluation process. Each application

is assessed on a case-by-case basis, taking into account the specific circumstances and factors relevant to the proposed merger.

Enterprises are advised to seek guidance and clarification from the BCC to ensure compliance with merger filing requirements and to better understand how the authority approaches the assessment of mergers in this evolving environment.

Furthermore, the BCC has indicated that it is in the process of drafting an amended Law on Business Competition, as well as a new regulation outlining sanctions for violations of competition rules. These forthcoming changes are expected to introduce specific penalties that are not currently detailed in the existing law, with official publication anticipated in 2026.

#### Notification on the List of Business Activities for Foreign Investors

This Notification, issued in 2015, lists activities open to foreign investment but restricts foreign shareholding in legal entities involved in these activities and sets investment minimums for foreign investors.

Foreign investment in warehousing, storage, and logistics activities is limited to 49 per cent shareholding. In road and bridge construction, foreign shareholding is limited based on registered capital. For entities with registered capital of between 1 billion Lao kip and 240 billion Lao kip, a foreign shareholder may not hold more than 49 per cent of the shares. Entities with registered capital exceeding 240 billion Lao kip may be wholly owned by foreign shareholders.

#### Notification on Reserved Business for Lao People

This notification covers activities that typically require only a small investment capital, such as hairdressing. Foreigners may find it difficult, if not impossible, to invest in these types of businesses.

**Law stated - 18 November 2025**

### Definitions

#### How is a foreign investor or foreign investment defined in the applicable law?

The Law on Investment Promotion defines a 'foreign investor' but does not define 'foreign investment'. A foreign investor is defined as a foreign individual or legal entity investing in Laos. For foreign entities, this is usually marked by the presence of foreign shareholders, which will determine whether a company is considered foreign by the authorities.

Additionally, the Decision on Foreign Exchange Management related to Foreign Direct Investment defines a foreign investor as a foreign individual or legal entity that invests and registers business operations in accordance with Lao law.

Notably, local laws do not set a minimum investment or shareholding threshold. As a result, a locally incorporated legal entity with even one share held by a foreign individual or legal entity may be considered a foreign legal entity.

### Special rules for SOEs and SWFs

Are there special rules for investments made by foreign state-owned enterprises (SOEs) and sovereign wealth funds (SWFs)? How is an SOE or SWF defined?

Based on publicly available sources, there are no special rules for investments made by foreign SOEs and/or SWFs. These investments typically follow the standard investment rules and regulations. However, in Laos, it is not unusual for regulators to have internal policies that are not available to the public.

According to the Law on Enterprise, a state enterprise (or state-owned enterprise) is one formed by the state, with shares accounting for over 50 per cent of the entity's capital, or one transformed from other types of enterprises to be state-owned. Foreign state enterprises and sovereign wealth funds are not included in the law's definition of state-owned enterprises.

Law stated - 18 November 2025

### Competent authorities

Which officials or bodies are the competent authorities to review mergers or acquisitions on national interest grounds?

Under the Law on Investment Promotion, activities related to concessions or those on the controlled business list may require approval from the Committee. This committee mainly approves investments specified in activities contained in the controlled business list. It also considers applications for the transfer of shares, changes to company objectives, and the use of concession or investment rights as guarantees. The committee can suspend or cancel previously granted licences if it becomes aware that requirements were not met.

The Law on Enterprise also requires applications to the MOIC to amend constitutional documents and the content of the Enterprise Registration Certificate post mergers or acquisitions.

According to the Law on Business Competition, the BCC is tasked with implementing merger controls. This includes situations where a merger:

1. results in holding market shares over the threshold defined by the BCC for specified markets;
2. restricts market access or technological development; and
3. negatively impacts consumers, other business operators, or national socio-economic development.

The Law on Business Competition mandates that large enterprises must notify the BCC and submit all required documents 'for consideration', implying that approval is required. In contrast, small and medium-sized enterprises (SMEs) are exempt from submitting these documents, although they must still notify the BCC of their mergers.

However, it is challenging to fully assess the practical scope of the Law on Business Competition. Although the law assigns the BCC the responsibility of ensuring that mergers do not exceed the market share threshold, no such threshold has been established yet. Without further guidance from the authorities, the potential impact of a merger on consumers, other business operators, or national socio-economic development may be interpreted as a review based on national interest grounds.

Although the Law on Business Competition has been in effect since 9 December 2015, the BCC was only officially established following the Decision on the Appointment of the Business Competition Commission No. 67/PM, dated 4 October 2018. Consequently, the BCC's experience with these types of transactions remains relatively limited, and no information has been disclosed about the type of transactions reviewed by the BCC so far.

Law stated - 18 November 2025

### **Discretionary powers of authorities**

Notwithstanding the above-mentioned laws and policies, how much discretion do the authorities have to approve or reject transactions on national interest grounds?

The government of the Laos is vested with the authority to grant exemptions from the general prohibitions on the abuse of a dominant market position and monopolistic practices. These exemptions may be issued on a case-by-case basis, provided that the conduct in question demonstrably contributes to:

- national socioeconomic development;
- national strategic objectives; or
- national security interests.

Where such exemptions are granted, the benefiting enterprises are subject to specific regulatory oversight, including:

- price controls over goods and services;
- market scope and quantity restrictions; and
- production and distribution management.

Law stated - 18 November 2025

## **PROCEDURE**

### **Jurisdictional thresholds**

What jurisdictional thresholds trigger a review or application of the law?  
Is filing mandatory?

If a company is engaged in an activity on the controlled business list or a concession activity, it must file a request with the one-stop service of the the Committee. This request will then be submitted to the Committee for consideration. For general businesses, although no specific

approval may be required, the transaction should be duly registered with the Ministry of Industry and Commerce (MOIC) to ensure compliance with applicable regulations.

Additionally, combinations involving large enterprises must be filed with the BCC and obtain clearance prior to completion of the transaction. All required documentation relating to such combinations must be submitted to the BCC for its review and approval before the transaction can be implemented.

In contrast, mergers or combinations involving small and medium-sized enterprises (SMEs) are subject to a post-completion notification to the BCC rather than pre-clearance. This means that SMEs must notify the BCC after the transaction has been completed, rather than seeking approval beforehand. The Law on Business Competition does not set out any specific rules or methodology for calculating or allocating turnover or thresholds for merger control purposes. In the absence of completed implementing regulations, there are no formal criteria to determine how turnover should be assessed whether on a group-wide basis, by a legal entity or within a specific jurisdiction.

As a result, there are currently no defined turnover thresholds or established calculation methods for determining when a merger notification is required in Laos. It is expected that further clarification will be provided once implementing regulations are issued or formal guidance is released by the BCC. Until such guidance is available, parties considering a merger or combination should closely monitor regulatory developments and may wish to consult with the BCC to confirm any applicable requirements.

Law stated - 18 November 2025

### National interest clearance

What is the procedure for obtaining national interest clearance of transactions and other investments? Are there any filing fees? Is filing mandatory?

Generally, for the incorporation of a legal entity in any of the three categories (ie, general business, controlled business and concession activity), a specific application may be required depending on the type of investment and the industry concerned. In all cases, the Ministry of Public Security (police) will screen the identity of the shareholders and the directors of the company. Police officers will ensure that these individuals are not on any blacklists provided by their own internal intelligence or international organisations.

Additionally, the authorities have the discretion to request further documents as they see fit. The usual list of documents required by the local authorities, as indicated under laws and regulations, is non-exhaustive.

Regarding competition clearance, the BCC requires several documents at the time of filing, including:

- an application form from the BCC;
- a copy of the enterprise registration certificate of each enterprise involved in the merger;
- a financial statement for the last two consecutive years of each enterprise involved in the merger, certified by an auditing organisation; and

- the contract or agreement relating to the merger.

The BCC will review the merger documents within seven days of receipt. If the documents are incorrect or incomplete, the applicant will be asked to provide additional documents or correct the content.

After receiving the complete and correct documentation, the BCC will review the application and consider issuing the clearance within 30 days. If the application is not approved, the legal entities involved in the merger will be notified in writing and will be provided with an explanation. The time frame may be extended by an additional 30 days, upon approval by the MOIC. There are no requirements to provide reasons for such an extension.

Law stated - 18 November 2025

## Approval responsibility

### Which party is responsible for securing approval?

Under the current framework of the Law on Business Competition, there is no express provision designating a specific party to a merger or acquisition transaction as solely responsible for filing a merger notification. Based on informal consultation with BCC official, the BCC permits the notification to be submitted jointly by the parties involved in the combination. Given this approach, it is advisable for the parties to clearly allocate filing responsibilities in their transaction agreements to avoid delays or the risk of non-compliance with merger control obligations. This proactive allocation helps ensure that all necessary steps are taken in a timely manner and that the parties remain in compliance with applicable regulatory requirements.

Law stated - 18 November 2025

## Review timeline

### How long does the review process take? What factors determine the timelines for clearance? Are there any exemptions, or any expedited or 'fast-track' options?

By law, the BCC takes seven days to review the filed application after receiving the documents. If the application is incomplete or incorrect, the applicant will be asked in writing to provide additional documents or correct the content. It takes 30 days to issue the clearance. If the application is rejected, the legal entities involved in the merger will be notified in writing and provided with an explanation. The time frame may be extended by an additional 30 days with the approval of the MOIC. There is no requirement to provide a specific reason for this extension; the Law on Business Competition only states that this may be possible 'in case of necessity'.

Law stated - 18 November 2025

## Closing conditions

**Must the review be completed before the parties can close the transaction? What are the penalties or other consequences if the parties implement the transaction before clearance is obtained?**

The Law on Business Competition sets out a range of sanctions for individuals or legal entities that violate its provisions, including those related to merger control. These sanctions may apply to parties that fail to file, or that file incorrect or incomplete information. The types of sanctions available include educational measures, warnings, fines, compensation for damages and other penalties as prescribed under relevant laws, depending on the specific circumstances of the violation. However, some of these sanctions are expected to be further detailed in a separate regulation, which has not yet been published.

In practice, authorities have not yet imposed any sanctions for such violations, largely due to the absence of implementing regulations concerning business combinations under the Law on Business Competition. As a result, it remains uncertain how strictly these rules will be enforced in the future.

Nevertheless, article 300 of the Lao Penal Code contains provisions that may be relevant in cases of non-compliance with information submission requirements, such as failing to submit required reports on economic management. This article provides for imprisonment sentences and fines ranging from 5 million kip to 10 million kip. Additionally, article 303 of the Penal Code specifically addresses breaches of business competition regulations, imposing fines ranging from 10 million kip to 100 million kip. To date, there have been no precedents for applying these penalties in connection with filings for business combinations.

If the offending party is a legal entity, the applicable fines are doubled, and the entity may also be subject to the suspension or withdrawal of its business license as prescribed under article 90 of the Penal Code.

Law stated - 18 November 2025

**Pre-filing guidance and dialogue**

Can formal or informal guidance from the authorities be obtained prior to a filing being made? Do the authorities expect pre-filing dialogue or meetings?

It is common practice in Laos for officers to provide informal guidance, either before filing documents with relevant authorities or at the time of filing. However, we recommend seeking guidance from officers of an appropriate rank or level of authority to minimise the risk of receiving inaccurate or inconsistent advice.

Generally, the BCC encourages early consultation with its officials to clarify procedures, requirements and expectations. Engaging in such consultations can help businesses better understand the potential market impact of their transactions and ensure alignment with the evolving competition framework. As the legal and regulatory environment continues to develop, it is anticipated that the process for stakeholder input and consultation will become more formalised and structured.

Law stated - 18 November 2025

### **Specialist support**

When are government relations, public affairs, lobbying or other specialists made use of to support the review of a transaction by the authorities? Are there any other lawful informal procedures to facilitate or expedite clearance?

In Laos, there is currently no simplified or expedited procedure available for the review of mergers or combinations. The formal process does not recognise the involvement of government relations or public affairs specialists as a means to influence or expedite the review. Additionally, there are no lawful informal mechanisms or alternative channels to facilitate or accelerate the clearance of transactions. All merger and combination reviews must be conducted strictly in accordance with the established legal and regulatory framework, and parties are required to comply fully with the prescribed procedures and requirements.

Law stated - 18 November 2025

### **Post-closing powers of authorities**

What post-closing or retroactive powers do the authorities have to review, challenge or unwind a transaction that was not otherwise subject to pre-merger review?

Under current Lao law, the Business Competition Law does not address whether the authorities have post-closing or retroactive powers to review, challenge or unwind transactions that were not subject to pre-merger review. The law is silent on the extent of the authorities' ability to take action after a transaction has been completed without prior notification or approval.

According to the BCC, there have been no cases to date involving the review of mergers or combinations. As a result, the BCC's practical experience and institutional knowledge in this area are limited, and there is no precedent for retroactive enforcement or for the authorities taking action against completed transactions that were not previously reviewed.

Law stated - 18 November 2025

## **SUBSTANTIVE ASSESSMENT**

### **Substantive test**

What is the substantive test for clearance and on whom is the onus for showing the transaction does or does not satisfy the test?

No substantive test in law provides for reviewing applications with respect to national security or national interests, nor is there any policy guidance. The test ensures that the transaction will not (1) result in holding a market share over the prescribed threshold for the particular market, as set by the BCC; (2) restrict market access or technological development; and/or (3) negatively impact consumers, other business operators or national socioeconomic development. The Law on Business Competition provides exemptions if (1)

one or more enterprises involved in a merger that may restrain business competition are in the process of bankruptcy, or (2) the merger will encourage increased exports or foster technological and technical progress.

The same applies to the establishment of, or sale of shares in, legal entities conducting concession or controlled activities. These would be reviewed by the Investment Promotion and Management Committee, along with the relevant administration tasked with overseeing the activity.

Law stated - 18 November 2025

### **International cooperation**

**To what extent will the authorities consult or cooperate with officials in other countries during the substantive assessment?**

The current regulatory framework in Laos does not provide any express provisions regarding consultation or cooperation with foreign competition authorities during the substantive assessment of mergers or combinations. Lao law does not establish a formal mechanism for cross-border coordination in the context of merger review. To date, there is no precedent or established practice for such cooperation or information sharing with foreign authorities in merger control matters.

Law stated - 18 November 2025

### **Other relevant parties**

**What other parties may become involved in the review process? What rights and standing do complainants have?**

Local regulations in Laos currently do not provide contain specific provisions addressing the involvement of third parties in the merger review process. There is no formal guidance on whether stakeholders such as competitors, consumers or industry associations are permitted to participate in the process or to submit complaints, and the rights or standing of such complainants have not been defined. As a result, the procedural framework for third-party involvement remains undeveloped, and there are no precedent or established practices for third-party intervention in merger assessments.

Law stated - 18 November 2025

### **Prohibition powers**

**What powers do the authorities have to prohibit or otherwise interfere with a transaction?**

The authorities may reject transactions that do not meet procedural requirements or that result in an entity holding market share over the threshold set by the BCC, restrict market access or technological development, or negatively impact consumers, other business operators, or national socio-economic development.

**Objection remedies and undertakings**

Is it possible to remedy or avoid the authorities' objections to a transaction; for example, by giving undertakings or agreeing to other mitigation arrangements? How are undertakings or other arrangements monitored?

The current regulatory framework in Laos does not contain specific provisions regarding the possibility of remedying or avoiding the authorities' objections to a transaction through undertakings or other mitigation arrangements.

There is no formal guidance on whether parties may offer commitments – such as structural or behavioural remedies – to address competition concerns, nor is there a mechanism for monitoring or enforcing such undertakings. As a result, the legal and procedural basis for negotiated outcomes or the acceptance of remedies in the context of merger review remains undeveloped under Lao law.

Law stated - 18 November 2025

**Challenge and appeal**

Can a negative decision be challenged or appealed?

Local regulations do not provide for appeal or review procedures. However, there is no prohibition to filing a new notification, upon receipt of rejection.

Law stated - 18 November 2025

**Confidential information**

What safeguards are in place to protect confidential information from being disseminated and what are the consequences if confidentiality is breached?

The Law on Electronic Data Protection No. 25/NA, dated 12 December 2017 (the Law on Electronic Data Protection) stipulates that sensitive information may not be disclosed without the information owner's consent. The Instruction on the Implementation of the Law on Electronic Data Protection No. 2126/MOPTC provides a non-exhaustive list of examples of sensitive information, including information about legal entities' customers, financial statements, confidential records, business plans, etc. Accordingly, information filed with the BCC or any other relevant authorities in Laos is protected by the Law on Electronic Data Protection. While not primarily focused on data privacy, several other laws additionally, contain provisions that protect confidential information.

The Law on Investment Promotion prohibits government officers from disclosing confidential information. Similarly, the Law on Business Competition expressly prohibits officers from the BCC from disclosing confidential information of individuals or legal entities they oversee. The Penal Code also prohibits officers from disclosing information for personal

gain, with violations subject to one to three years of imprisonment and fines ranging from 2 million Lao kip to 10 million Lao kip. Sanctions may be more severe for repeat offences, with punishments including three to seven years of imprisonment and fines ranging from 10 million Lao kip to 50 million Lao kip.

Law stated - 18 November 2025

## RECENT CASES

### Relevant recent case law

Discuss in detail up to three recent cases that reflect how the foregoing laws and policies were applied and the outcome, including, where possible, examples of rejections.

Due to the lack of publicly available information on precedents in Laos, we are unable to provide detailed case studies. Additionally, we are not aware of any instances where applications have been rejected to date.

Law stated - 18 November 2025

## UPDATE AND TRENDS

### Key developments of the past year

Are there any developments, emerging trends or hot topics in foreign investment review regulation in your jurisdiction? Are there any current proposed changes in the law or policy that will have an impact on foreign investment and national interest review?

According to the Committee, although the new Decree on Controlled Business List and Concession Activities was issued this year, the list of concessions activities to be attached to the Decree is still the process of being drafted. This list is expected to be issued later in 2026. In addition, amendments to foreign investment regulations are anticipated.

Law stated - 18 November 2025