Newly Enacted Decision on Capital Contribution No. 2025/MOIC, dated 9 September 2025

14 October 2025

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Purpose of the New Decision

To ensure the effective governance and monitoring of the contribution of a corporation's registered capital following its establishment in an efficient and orderly manner.

Key Provisions

a) Type of Capital

An investor or a shareholder of the corporation incorporated under the laws of the Lao PDR may contribute registered capital either in the form of cash or in kind.

b) Condition of Capital Contributions In-Cash

Suppose the investor or shareholder is a Lao citizen or a foreigner who has no domicile in the Lao PDR. In that case, the cash contribution must be transferred to the corporation's bank account opened in the Lao PDR within the contribution period. In this regard, the cash contribution of the said foreigner must be certified the capital importation with the Bank of Lao PDR (BOL).

With respect to the foreigner who has domicile and earning retained in commercial bank in the Lao PDR, whether in Lao Kip or foreign currency, the cash contribution is required to transfer to the corporation's bank account opened in the Lao PDR within the contribution period. Such contribution as well as the three-year retroactive statement issued by the commercial bank in the Lao PDR must be submitted to the BOL to certify the usage of fund.

c) Condition for Capital Contributions In-Kind

The value of capital contributions in kind cannot exceed 50% of the total registered capital, by way of transferring ownership to the related corporation. Consequently, the corporation will be recognized as the owner of such contributions.

If the investor or shareholder is a foreigner, contribution of the capital in kind into the Lao PDR shall be certified the capital importation with the BOL as well.

d) Contribution Period

Regardless of whether the contribution is made in cash or in kind, each investor or shareholder is obligated to fully contribute the subscribed capital to the company within 1 year from the date of incorporation.

The manager or director of the company shall issue share certificates reflecting the amount of capital contributed by each shareholder within 30 days from the date of such contribution.

e) Effect on Shareholder who did not contribute capital

In the event that any shareholder fails to fully contribute or does not contribute the subscribed capital, the manager or director shall, within 60 days from the expiry of the contribution period, register the relevant change with the registrar, which may include a capital decrease, alteration of the shareholding ratio, change of shareholders or corporate form, or dissolution of the company.

Where a shareholder who fails to contribute capital is also a director of the company, the remaining shareholder(s) holding not less than 4 percent of the total contributed shares shall prepare a notarized letter of non-contribution with the Notary Office and register such amendment with the registrar to update the Enterprise Registration Certificate within 60 days from the expiry of the contribution period.

In the case of registration for the removal of a shareholder who has failed to contribute any capital, a letter certifying such non-contribution issued by the director shall be notarized with the Notary Office and registered with the registrar to amend the Enterprise Registration Certificate within 60 days from the expiry of the contribution period. If all shareholders fail to contribute any capital, the company shall be subject to dissolution only.

f) Effect on Corporations in the Lao PDR

Any corporations incorporated prior to the effective date of this Decision shall be required to comply fully within 1 year from the effective date hereof.

In the event that any shareholder of a corporation fails to fully contribute, or does not contribute, the subscribed capital within the prescribed contribution period or within 1 year from the effective date of this Decision, such corporation shall be subject to an administrative fine of LAK 500,000 and a formal warning. In addition, the corporation shall be required to execute a memorandum certifying the obligation to fully contribute the registered capital and to amend its Enterprise Registration Certificate accordingly, or otherwise proceed to dissolution within 60 days from the date of such memorandum

Any company that breaches the aforementioned memorandum shall be subject to an administrative fine of LAK 5,000,000 and shall again be required to execute a memorandum certifying the obligation to fully contribute the registered capital and to amend its Enterprise Registration Certificate accordingly, or otherwise proceed to dissolution within 60 days from the date of such memorandum.

In the event that the company fails to comply with the requirements of the second memorandum, the registrar shall issue an order suspending the company's Enterprise Registration Certificate. Such suspension shall only be lifted upon the company's full contribution of the registered capital or the completion of the registration of the amendment to its Enterprise Registration Certificate, or, as the case may be, its dissolution.

SUMMARY

Following the effectiveness of the Decision on Capital Contribution No. 2025/MOIC, dated 9 September 2025, all investors, shareholders, and corporations are required to fully contribute or ensure the full contribution of the registered capital within the prescribed contribution period, or within one (1) year from the effective date of this Decision. Non-compliance with the provisions of this Decision shall constitute a violation attributable to the relevant investor, shareholder, or corporation.