DFDL LAO PDR TAX POCKET GUIDE 2020

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LAO PDR I 2020 Edition

DFDL LAO PDR
TAX POCKET GUIDE

2020 EDITION

The information provided in this guide is based on our understanding of publicly known Lao PDR laws, regulations and official practices as of February 2020 and may be affected by laws that are subsequently adopted by the National Assembly or notifications that are adopted by various ministries. Note that not all laws and regulations are published. There may also be instances where the unofficial practices applied by the Government authorities (including the tax authorities) are not in accordance with or even contradictory to Lao PDR law. As the decisions of the courts and tax authorities are not made publicly available, it is possible that the tax authorities or the courts will adopt an interpretation of Lao PDR laws which is not in accordance with our interpretation.

For more information, please email us at laos@dfdl.com or visit www.dfdl.com.

THE DFDL LAO PDR TAX POCKET GUIDE

Contents

1. LAO PDR REGULATORY OVERVIEW

The Lao PDR regulatory system has been influenced by Lao tradition and customs, socialist ideology, and the legal and economic transitions taking place in neighboring countries. The development of the legal and tax system is also being driven by the requirements of regional integration, notably membership of the Association of Southeast Asian Nations (ASEAN) and accession to the World Trade Organization (WTO).

The Lao PDR shares its borders with China and Myanmar in the north, Vietnam in the east, Cambodia in the south and Thailand to the west, placing the Lao PDR in a geographically strategic position. Investment in logistical infrastructure facilitating trade between China and ASEAN is already underway and is expected to continue. Additionally, the Lao PDR has established a network of Special Economic Zones in key border areas to facilitate cross border trade and logistics and increasingly sophisticated manufacturing and industrial processing activities.

The main legislation governing investment in the Lao PDR is the Investment Promotion Law (№ 14/NA, 17 November 2016) which came into effect in 2017 (Investment Promotion Law). The Investment Promotion Law outlines promoted activities, forms of permitted investment, investment terms, tax incentives, rights and duties of investors, and the investment licensing process, which applies equally to both domestic and foreign investors.

The Tax Law (№70/NA, 15 December 2015) was replaced by three new tax laws: Tax Administration Law (№ 66/NA, 17 June 2019), Income Tax Law (№ 67/NA, 18 June 2019) and Excise Tax Law (№ 68/NA, 19 June 2019). These new tax laws are implemented from 1 January 2020. The Value Added Tax Law (№ 48/NA, 20 June 2018) is also an important component of the tax regime.

2. BUSINESS REGISTRATION

a) Business Forms

The Investment Promotion Law provides five main business forms:

- 100% foreign-owned enterprises;
- Joint ventures between domestic and foreign investors;
- Business cooperation by contract;
- Joint ventures between state enterprise and private enterprise; and
- Joint ventures between the state sector and private sector.

A 100% foreign-owned enterprise is a foreign enterprise owned by one or more foreign investors, without the participation of domestic investors from the Lao PDR.

A joint venture is an enterprise that is jointly owned by foreign and domestic investors, established and registered as an entity under the laws of the Lao PDR. Foreign investors are required to contribute at least 10% of the registered capital (i.e. share capital) of the joint venture.

Business cooperation by contract is a business arrangement entered into by domestic entities (including state sector and private sector) and foreign entities with a contract without the establishment of a new juristic entity in the Lao PDR.

A joint investment between a state enterprise and a private enterprise is an investment between a state enterprise and a private enterprise which will operate a business, having joint ownership and incorporate a new legal entity in the Lao PDR.

A joint investment between the state sector and private sector is a joint investment activity between the state sector and private sector under a joint venture agreement to implement new construction projects, improve infrastructure or provide public services.

b) Company Registration

i) General Business Activities

Investors intending to engage in general business activities that are not controlled or concessionary activities must apply for the establishment of a corporate entity and issuance of an enterprise registration certificate (ERC) with the Enterprise Registry Office (ERO) of the Ministry of Industry and Commerce (MOIC).

There is no minimum registered capital for general activities under the Investment Promotion Law.

The statutory timeframe for the issuance of an ERC is 10 working days after the submission of a complete application.

The ERC is the document which evidences that the enterprise is legally established. The ERC includes the enterprise registration code number and Tax Identification Number (TIN).

A company must have Articles of Association that comply with the Enterprise Law and the Articles of Association must be registered with State Assets Management Department of the Ministry of Finance.

Investors that are required to obtain a business operating license must apply for and obtain a business operating license from the respective relevant government ministry after issuance of the ERC.

ii) Controlled or Concessionary Activities

Investors in concessionary or controlled activities are required to submit a proposal to the One-Stop Service Office (OSSO) of the Investment Promotion Department (IPD), which will issue an Investment License (IL). The IPD will thereafter liaise with the MOIC to obtain the issuance of an ERC.

The statutory timeframe for the issuance of an IL is 25 working days for controlled activities and 65 days for concessionary activities.

Investors in controlled and concessionary activities will also need to obtain a business operating license from the relevant government ministry.

c) Representative Office

A representative office is used for investors who require only a minimal presence in the Lao PDR. Representative offices are not considered to have a distinct legal personality from the parent entity. Representative offices are not entitled to conduct commercial activities. Application to establish a representative office must be submitted to the IPD. the initial term of a representative office is limited to one year, but subject to renewal. Representative offices are required to have a minimum registered capital of USD 50,000.

d) Branch

A foreign enterprise may establish a branch in the Lao PDR. Branches are currently only for banks, financial institutions, insurance companies, international consulting companies and foreign airline companies. A branch is not considered to have a distinct legal personality from the parent entity and the parent company shall be liable for all acts and deeds of the branch office.

3. ACCOUNTING FINANCIAL REPORTING FOR COMPANIES AND BRANCHES OF FOREIGN COMPANIES IN THE LAO PDR

a) Financial Statements

Financial statements must be prepared in accordance with Lao Accounting Standards (LAS).

b) Audit Requirements

The Enterprise Law requires that a limited company with more than fifty billion Kip (approx. USD 5,628,095) in assets is required to be audited. There is no requirement that financial statements should be audited prior to submission to the tax authority. However, under the Tax Law, a company that suffers annual losses and intends to carry forward such losses should seek certification of its financial statements from the National Audit Authority or an independent audit firm.

c) Financial Year-end

The accounting year is twelve calendar months from January to December.

d) Reporting Currency

The statutory reporting currency is LAK.

4. INVESTMENT INCENTIVES

Investment incentives are granted in the Investment Promotion Law based on the activities of the investor and location of the proposed investment.

The Investment Promotion Law defines the following activities as promoted activities which may be eligible for investment incentives:

(1) The use of high-level and modern technology, scientific research, research and development, use of innovative, environment-friendly technology, and efficient use of natural resources and energy;

(2) Clean, toxin-free agriculture, seed production, animal breeding, industrial plantations, forestry development, environment and bio-diversity protection, activities promoting rural development and poverty reduction;

(3) Environmentally-friendly agricultural processing industry, national and unique handicraft processing;

(4) Development of environment-friendly and sustainable natural, cultural and historical tourism;

(5) Education, sport, human resource development and labor skills development, vocational training institutes or centers, production of education and sports equipment;

(6) Construction of modern hospitals, pharmaceutical and medical equipment manufacturing factories, manufacture of and treatment by traditional medicines;

(7) Investment, services and development of public infrastructure for urban traffic congestion reduction and residences, infrastructure construction for agricultural production and industrial manufacturing, goods transit services, cross border transit and international linkage;

(8) Policy (Nayoby) bank and micro-finance institutions for poverty reduction for the people and communities who are unable to access banks; and

(9) Modern department stores that promote domestic products and global brands, domestic industrial, handicrafts and agricultural products trade shows and markets.

To obtain investment incentives the above activities are required to have an investment value of at least LAK 1.2 Billion or use at least 30 Lao national technical staff, or use 50 or more Lao national employees with employment contracts of at least 1 year.

For small and medium sized businesses which do not satisfy the above requirements, investment incentives will be determined in accordance with relevant regulations.

Incentives are further based on the location of the investment. Locations in the Lao PDR are divided into three promoted zones, these being:

- Zone 1: Poor, remote zones with socio-economic infrastructure that does not facilitate investment;
- Zone 2: Zones with socio-economic infrastructure that partially facilitates investments; and
- Zone 3: Special Economic Zones.

The Investment Promotion Law prescribes the investment incentives, as follows:

- Investments in Zone 1 shall be entitled to a profit tax exemption for 10 years. For investment in business sectors determined in the activities (2), (3), (5) and (6) above will receive an additional profit tax exemption of 5 years.
- Investments in Zone 2 shall be entitled to a profit tax exemption for 4 years. For investment in business sectors determined in Article (2), (3), (5) and (6) above will receive an additional profit tax exemption of 3 years.

- Investments in Zone 3 shall be entitled to a profit tax exemption and investment incentives as provided for in the specific regulations.

Profit tax exemption starts from the date the enterprise generates business revenues. Once the profit tax exemption period is over, the enterprise must pay profit tax in accordance with the tax law.

Reinvestment of net profits used for the additional or expansion of licensed business activities shall be exempted from profit tax during the year in which the reinvestment is made.

In addition to the incentives mentioned above, enterprises shall be entitled to the following incentives:

- The import of materials, equipment which are unable to be supplied or manufactured in the Lao PDR to form fixed assets, and vehicles and machinery directly used for production will be exempt from customs duty and will subject to VAT at the 0%.
- The temporary import of vehicles and machinery shall be performed in accordance with the Customs Law.
- The import of raw materials, materials and equipment and parts used for production for export will not be charged customs duty at the time of import and will be exempt from customs duty at the time of export and be subject to VAT at 0%.
- The use of domestic raw materials for that are not natural resources for the manufacture of finished and semi-finished products for export shall be subject to VAT at 0%.

5. TAXATION

a) Overview

The general tax regime in the Lao PDR is governed by:

- Tax Administration Law;
- Income Tax Law;
- Excise Tax Law;
- Value Added Tax Law; and
- Investment Promotion Law.

b) Taxation of Companies

i) Taxable Presence

Lao companies are subject to profit tax on their Lao and foreign incomes.

A non-resident company will be subject to profit tax in the Lao PDR if it derives income from sources in the Lao PDR. For such companies the tax is paid by means of a withholding that is applied by the Lao enterprise that remits the income.

This withholding is calculated on a deemed profit basis. The deemed profit is the annual income multiplied by the profit ratio of each type of activity.

ii) Profit Tax Rates

Resident companies are subject to the following tax rates:

Type of Entity Company	
Resident Lao Company	20%
Companies listed on the Lao Stock Exchange Market*	13%

Type of Entity Company	
Companies that manufacture, import and sell tobacco products**	22%
Mining concessionary companies	35%
Companies operating business relating to the development of human resources such as school, training centers and other education and business activities relating to modern hospitals, medicine production and medical equipment	5%
Companies operating businesses which utilize new innovative technology, eco-friendly technology, saving of natural resources and clean energy in manufacturing***	7%

** for a period of four years, commencing from the date of registration, after that the regular rate shall apply.*

*** 2% will be contributed to the Smoking Control Fund.*

**** This profit tax rate shall apply after the expiration of profit tax holiday under the Investment Promotion Law.*

Companies with a concession agreement with the Government of the Lao PDR (particularly companies in the mining and hydropower sectors) may pay a reduced rate as determined in the concession agreement.

Reduced tax rates are also available for companies investing in the special economic and specific economic zones.

iii) Withholding Profit Tax for Non-Resident Companies

The Lao PDR has no concept of Permanent Establishment under its domestic tax regulations. It has, however, its own set of rules for taxing the Lao PDR derived business income of foreign entities.

The profit tax rate for a non-resident company is 20%, which is calculated on a deemed profit basis. Below are the deemed profit rate and the effective rate respectively:

Class of Income	Deemed Profile Rate	Tax Rate	Effective Rate
Agricultural and handicraft	7%	20%	1.4%
Industrial production and other industrial	10%	20%	2%
Commerce Trade and Services	15%	20%	3%

A Lao entity is responsible for filing a separate tax declaration and tax payment with the Tax Department within 15 days from the date of withholding such tax.

c) Taxation of Individuals

i) General

Under the Income Tax Law resident means a person who has a permanent address, lives, earn a living or operates a business in the Lao PDR.

Foreigners who work in the Lao PDR, but receive their salaries abroad must pay income tax in Lao PDR if they reside in Lao PDR for more than 183 days in any year, unless otherwise provided in a Double Taxation Agreement (DTA) or an agreement between the Government of Lao PDR and the investors.

ii) Income from Employment – Progressive Tax Rates

Taxable Salary at each level	Basis of Calculation	Tax Rates	Tax at each level	Total tax Payable
LAK 1,300,000 and below	1,300,000	0%	0	0
LAK 1,300,000 - 5,000,000	3,700,000	5%	185,000	185,000

Taxable Salary at each level	Basis of Calculation	Tax Rates	Tax at each level	Total tax Payable
LAK 5,000,000 - 15,000,000	10,000,000	10%	1,000,000	1,185,000
LAK 15,000,000 - 25,000,000	10,000,000	15%	1,500,000	2,685,000
LAK 25,000,000 - 65,000,000	40,000,000	20%	8,000,000	10,685,000
LAK 65,000,000 and above	-	25%	-	-

Income tax on salary and remuneration is withheld monthly by the employer and is payable by the 20th of the month following the month of the salary payment.

d) Indirect and Other Taxes

i) Value Added Tax

Value Added Tax (VAT) was introduced to the Lao PDR on 1 January 2009 and replaced the business turnover tax (BTT). The current VAT Law No.48/NA, dated 20 June 2018 replaced the VAT Law No. 52/NA, dated 23 July 2014. VAT is an indirect tax which is collected on the value-added proportion of goods and services at all stages of production manufacturing and distribution to the provision of services and consumption. The VAT regime in the Lao PDR follows the conventional VAT system whereby inputs on purchases can be offset against outputs on sales.

Individuals, legal entities and organizations that are registered as a business, with an investment license and a taxpayer identification number, are required to register for VAT, except micro enterprises which have an annual business turnover of less than LAK 400,000,000 (approx. USD 47,000).

The standard rate of VAT for domestically sold goods and services and imports is 10%, while a 0% rate applies to the exported sale of goods.

If the goods are for export (i.e. subject to VAT at zero-rate), the VAT can be refunded. For the supply of goods and services within the Lao PDR any excess input VAT credits can be carried forward for deduction in the following months for up to three (3) consecutive months. The deduction of input VAT must start from the month that the input VAT is occurred. If the deduction is not exhausted within three (3) months, the input VAT can be refund.

Various goods and services are exempt from VAT including live or dead unprocessed animals, certain agricultural products, textbooks and modern teaching equipment, medical tools or equipment and goods and services for certain grant aid projects.

VAT is also payable for services supplied by an offshore entity provided that the services are deemed to take place in the Lao PDR. A Lao entity that makes payments for services to a non-resident entity is required to withhold value added tax when making payment.

The tax withheld is required to be filed with the Tax Department at the same time as the monthly tax return (i.e. the 15^{th} of the following month). If the Lao entity is not registered in the VAT regime, the tax withheld is required to be filed with the Tax Department within 15 working days from the date of payment.

ii) Stamp Duty

Stamp duty of LAK 10,000 must be paid when the document or the agreement is submitted for registration with the Government authorities.

iii) Registration and Notarization Fees

There are notarization and registration fees applicable to certain documents and agreements.

Notarization fees include charges of LAK 20,000 per page and service fees of LAK 35,000 per page. Registration fees depend on the value of the document agreement.

iv) Property Tax

Under the Income Tax Law, income from the sale-purchase of land, transfer of land use rights and land with the existence of structures is subject to income tax at 2%. A sale-purchase or transfer of property that is in the asset list of enterprises is exempt from income tax.

The transfer is also subject to a transfer fee of 1% of the land value.

Tax on land and property varies depending on the location and the type of the land (e.g. land for construction, land for agriculture, etc.).   The tax on land and property is calculated based on both the location and the size of the land or property and is imposed at an annual rate per square meter.

v) Capital Gains Tax

Income derived from the sale or transfer of shares is subject to income tax at 2% of the sales proceeds or transfer value. In practice the tax may apply to both direct and indirect sales or transfers of shares in Lao PDR companies.

vi) Withholding Tax

The following withholding taxes (WHT) are applied in the Lao PDR:

(1) *Dividends*

Income from dividends is taxed at the rate of 10%. The payer is required to withhold tax before making payment to the payee. The tax is to be remitted to the Tax Department within 15 working days of making the payment.

(2) *Interest*

Interest payments on loans are subject to income tax at 10%. The payer of the interest must withhold the income tax at the time when making a payment. The tax is to be remitted to the Tax Department within 15 working days of making the payment.

(3) *Royalties*

Income from patents, copyright, trademarks, and other intellectual property is taxed by way of withholding. The payer of the relevant income is required to withhold tax at the rate of 5% before making payment to the payee. The tax is to be remitted to the Tax Department within 15 working days of making the payment.

(4) *Other Income*

- Income tax on income from sale-purchase, transfer of agriculture land is 1%
- Income tax on income from online sale is 2%
- Income tax on income from consulting fees of independent consultants is 5%
- Income tax on income from the leases, such as land, houses constructed items, vehicles, machinery or other assets is 10%

vii) Income Tax of Micro Enterprises

Under the Income Tax Law, micro enterprises are small scale enterprises that manufacture goods or engage in commerce and services sectors that have labor, assets value and annual business total annual revenues as defined in periodic regulations.

Micro enterprises are not required to register under the VAT system. Micro enterprises will pay income tax that is calculated by multiplying the annual income with the tax rate. The current year fixed tax is calculated using the summaries of the annual income of the previous year as a basis of the next year's annual projected income.

Micro enterprises with annual incomes of LAK 50,000,000 and below are exempt from income tax. Micro enterprises with annual income from LAK 50,000,000 to LAK 40,000,000 will pay income tax as follows:

- 1% for agricultural, industrial production and other productions;
- 2% for commerce/trade; and
- 3% for services

- Micro enterprises shall pay the income tax monthly, quarterly, bi-annually or annually as provided in the relevant contract between the micro enterprises and the Tax Department.

viii) Environmental Tax

Environmental tax is a direct tax levied on individuals, legal entities, and organizations authorized to operate businesses, import or use natural resources in the Lao PDR that causes pollution to the environment, damage health, life of humans, animals, and plants, and balance of the ecosystem.

ix) Excise Tax

Under the Excise Tax law, excise tax is levied on the importation or domestic supply of certain goods and services.

The types of goods and services that are subject to excise tax include:

- inflammable fuel;
- alcohol, beer, alcoholic beverages;
- cigarettes;
- cosmetics;
- vehicles;
- appliances, such as air-conditioners, washing machines and refrigerators;
- services relating to entertainment;
- all types of game playing devices; and
- all types of carpets.

The excise tax on these goods and services ranges from 3% to 90%. The excise tax is payable by importers and producers of taxable goods and providers of taxable services. Importers pay the excise tax at the time of importing the goods. For domestic producers and service providers the tax is declared and payable to the Tax Department by the 20^{th} of the month following the production of the goods and the supply of the services subject to excise tax.

x) Customs and Import Duties

The Customs Law defines that all goods imported or exported are subject to duties unless exemptions are provided for by law or contained in specific government agreements.

Import and export duties must be paid at the point of importation before goods can be removed from the customs. For companies that undertake promoted activities, import duties may be exempted for certain goods to be used in production.

The Lao PDR is using import tariffs that are aligned with the ASEAN Harmonized Tariff Nomenclature (AHTN). The rates vary from 5% to 40%.

Besides AHTN, the Lao PDR (as part of ASEAN) has free trade agreements with several other countries such as Australia, New Zealand, South Korea, China, Japan, and India.

e) Tax Administration

i) Tax Payment – Currency

The calculation and payment of taxes should be converted to LAK before making payment, using the bank exchange rate applicable on the day of calculation.

ii) Tax Payment – Due Dates

Under the Tax Administration Law and the Income Tax Law, profit tax must be made two times: First time: by 20th July; and Second time: By 20th January of the following year.

iii) Tax Returns – Due Dates

Profit tax return

Companies must finalize and submit their annual financial statements, including balance sheet, trial balance and other documents, such as the minutes of partners or shareholders meeting, regarding the use of or the distribution of dividends to the Tax Department before the 31st of March each year.

The Tax Department will calculate the annual tax payable based on information provided in the financial statement.

Individual Tax Return

Employers need to submit salary income tax declarations of their employees to the local tax authority before the 20th of the following month in order to pay income tax. There is no extension of filing date.

Other income taxes must be declared and paid within 15 working days of making a payment.

f) Tax Incentives

See section 5

g) Tax Losses

Losses can be carried forward for offsetting with taxable profits for up to five years. Upon expiration of five years, any remaining losses may no longer be used for deduction from profits.

There is no carry back of losses in the Lao PDR.

h) Tax Consolidation / Group Relief

Lao PDR has no tax consolidation or group relief provisions.

i) Tax Audits

The tax authorities have the right to audit the calculation and payment of taxes by taxpayers within three accounting years.

If it is deemed that there has been an incorrect tax calculation and incomplete collection, the tax authorities have the right to demand such tax and impose penalties.

j) Thin Capitalization

There are no thin capitalization rules in the Lao PDR.

k) Transfer Pricing Rules

There are no transfer pricing rules in the Lao PDR. However, the tax authorities can adjust transactions that they deem not to be at market value.

l) Deduction of Expenses

The following expenses are non-deductible expenses for profit tax purpose under the Income Tax Law:

- Profit tax;
- VAT on the purchase of fixed assets that are not directly used in business operations;
- Deduction of depreciation exceeding the depreciation rates or period of use as provided in the Income Tax Law;
- Uncollectible debt receivables without supporting evidence or certification documents;
- Depreciation of fixed assets that are not listed as assets of the enterprise;
- Salaries of the owner of sole trader enterprises or salaries paid by a partnership to partners who are not managers or employees;
- Expenses that are not directly related to business operations, including golfing, entertainment, and gifts and prizes;
- Personal expenses of the owner or shareholders of an enterprise;
- Expenses that are lacking supporting invoices or documentation in the form as determined by the Ministry of Finance;
- Expenses that are unreasonable or higher than the market price;

- All categories of reserve deductions, except for those of banks and other financial institutions;
- Interest on loans that are used for a capital contribution;
- Losses on the valuation of assets and debts on the date of closing accounts;
- Deferred tax expenses;
- All kinds of penalties; and
- Losses on valuation of assets and debts in foreign currency on the date of closing accounts at the end of quarter or year.

m) Statutory Period for Holding Documents

Taxpayers are required to maintain their records for a period of 10 years.

n) Double Tax Treaties

The Lao PDR has entered into double taxation treaties with several countries, of which in force at present are the following: Thailand, China, North Korea, South Korea, Brunei, Vietnam, Malaysia, Luxembourg, Myanmar and Singapore.

o) Anti-avoidance Rules

There are no anti-avoidance provisions in the Tax Law.

However, individuals or organizations that have violated the Tax Law, may be subject to re-education measures, fines, compensation or criminal punishment depending on the seriousness of the case, such as: failure to provide information, participate in the concealment of facts and encourage wrongdoings related to tax obligations by business persons giving or taking bribes or gifts, conspiring to appropriate government money and threatening and causing physical harm to staff and tax officials or tax payers.

p) Foreign Exchange Controls

Foreign exchange transactions, are governed by the Law on Foreign Currency (№ 55/NA, dated 22 December 2014). The list of permissible transactions for use of foreign currency is relatively limited.

Foreign investors are required to use the Lao PDR banking system (and domestic bank accounts) for all transactions unless an approval has been obtained from the Bank of Lao PDR (BOL) for the use of offshore bank accounts.

Additionally, all foreign-source loans must be approved by the BOL.

Derivative transactions such as foreign exchange and interest rate and commodities-hedging fall into a general requirement of BOL approval.

q) Special Exemptions

Companies that have a concession agreement with the government of the Lao PDR may have a special tax regime and various tax exemptions.

Companies investing in the special and specific economic zones also will be entitled to tax incentives as provided for in the specific regulations of each special and specific economic zone.

6. DFDL TAX SERVICES

DFDL Regional Tax Practice Group

DFDL's Tax team offers a unique combination of highly specialized lawyers and accountants dedicated to tax services across the region, from strategic planning to day-to-day operations, including tax advisory, tax compliance, transfer pricing and customs advisory. We are also regularly involved in the development of the tax environment of the markets in which we operate.

Our Tax team is recognized for its expertise, creativity and excellent reputation across our jurisdictions and beyond, distinguishing DFDL as the preeminent multiregional tax law firm across the area and providing to our client's crucial knowledge and relationships, integrated tax and legal services and insights on new tax practice.

DFDL Tax Services

DFDL provides tax services across all industries and sectors. To better serve our clients' business needs, we have organized our expertise into service lines with experts in each jurisdiction of our firm.

Tax Advisory

- Corporate tax optimization;
- International tax structuring of shareholding, financing, licensing services and other arrangements;
- Tax due diligence;
- Tax health-check;
- Tax treaty relief;
- Merger & Acquisition and restructuring;
- Advance tax rulings; and
- Tax retainer services.

Tax Disputes

- Tax controversy and tax audits;
- Tax and transfer pricing dispute resolution; and
- Tax litigation support.

Transfer Pricing

- Contemporaneous TP documentation, with benchmarking;
- Drafting intercompany agreements;
- Transfer Pricing and IP planning;
- Advisory support (substance; BEPS assessments; reporting); and
- Transfer Pricing Policy implementation.

Tax Compliance

- Preparation of tax filing and reports; and
- Tax compliance reviews.

Our People

Key people who comprise our Lao PDR team are:

Jack Sheehan
Partner & Head of Regional Tax Practice

Jack is a Partner and the Head of the Regional Tax Practice. He specializes in providing advice on structuring inbound and outbound investments in Asia, corporate and international tax planning, mergers and acquisitions, transfer pricing and supply chain structuring and tax controversy. He has also assisted in advocacy for tax policy at a Government level in a number of South East Asian countries.

Jack is listed as a leading tax adviser for 2020 by the Legal 500 and was nominated as Asia Tax Leader 2019 by International Tax Review. He is regularly a speaker and writer on tax matters in Asia. Jack holds a Master's Degree in Tax Law from the Law School at the University of Oxford and is a Fellow of the Association of Chartered Certified Accountants.

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Senesakoune Sihanouvong
Partner – Legal & Tax

Senesakoune is a highly experienced Lao Bar Association member and Country Partner with recognized expertise in Lao tax issues. He has extensive experience in legal and tax advice, compliance and due diligence across a range of sectors including hydropower, mining, forestry and general businesses. Senesakoune regulatory advises on foreign investment issues and also has extensive experience in Lao PDR public administration and governance matters, as he has been working closely with Lao authorities over the last 14 years.

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About Us

DFDL is a leading international law firm specialized in emerging markets with regional legal, tax and advisory investment expertise developed throughout the Mekong region (Cambodia, the Lao PDR, Myanmar, Thailand, and Vietnam), Bangladesh, and Singapore and a dedicated focus on South and Southeast Asia, and beyond.

With a team of over 170 local and foreign lawyers and advisers in 10 offices in Asia and collaborating firms in the Philippines and Indonesia, we provide unique value propositions and innovative solutions with particular expertise in:

- Banking, Finance and Technology
- Compliance and Investigations
- Corporate and Commercial
- Energy, Mining and Infrastructure
- Mergers and Acquisitions
- Real Estate and Construction
- Taxation and Accounting
- Employment Law

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