



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

Government of Lao PDR

Ref. No. 25/GOL

Vientiane Capital, date 16<sup>th</sup> January 2017

**Decree**

**The classification of Small and Medium Sized Enterprise**

- Pursuant to the Laws on the Government of Lao People's Democratic Republic (Amended version) No. 69/NA, dated 15<sup>th</sup> December 2015;
- Pursuant to the Law on Small and Medium Sized Enterprise Promotion No. 11/NA, dated 21<sup>st</sup> December 2011;
- Pursuant to the Proposal letter of Ministry of Industry and Commerce No. 2097/MOIC, dated 18<sup>th</sup> November 2016.

**The Government of Lao PDR issues a Decree**

**Article 1: Objectives**

This Decree has the objective to expand Article 2 of the Law on Small and Medium Sized Enterprise Promotion No. 11/NA, dated 21<sup>st</sup> December 2011 on the classification of Small and Medium Sized Enterprise in order to make the aforementioned law clear and in line with periodical economic situations of Lao PDR. It aims at the right target of the implementation of policy on Small and Medium Sized Enterprise Promotion contributing to the strengthening of promotion and the development of the Small and Medium Sized Enterprise.

**Article 2: The classification of Small and Medium Sized Enterprise**

The classification of Small and Medium Sized Enterprise is based on the annual averaged labors or the total asset or the annual gross income of the registered and lawful enterprises according to the type of enterprises' operation such as commodity production, trade and services.

**Article 3: The Size of Small and Medium Enterprises**

Small and Medium Sized Enterprises are classified into 03 sizes as following:

1. Micro Sized Enterprise;
2. Small Sized Enterprise;
3. Medium Sized Enterprise.

**Article 4: Micro Sized Enterprise**

Micro Sized Enterprises are the smallest Enterprises that meet one of the following conditions:

Type of Enterprise	Annual averaged labors	Total asset (KIP)	Annual Income (KIP)
Commodity Production	1-5 Persons	Less than 100.000.000	Less than 400.000.000
Trade	1-5 Persons	Less than 150.000.000	Less than 400.000.000
Services	1-5 Persons	Less than 200.000.000	Less than 400.000.000

### Article 5: Small Sized Enterprises

Small Sized Enterprise that meet one of the following conditions:

Type of Enterprise	Annual averaged labors	Total asset (KIP)	Annual Income (KIP)
Commodity Production	6-50 Persons	Less than 100.000.000	Less than 2.000.000.000
Trade	6-50 Persons	Less than 100.000.000	Less than 3.000.000.000
Services	6-50 Persons	Less than 150.000.000	Less than 1.500.000.000

### Article 6: Medium Sized Enterprises

Medium Sized Enterprises that meet one of the following conditions

Type of Enterprise	Annual averaged labors	Total asset (KIP)	Annual Income (KIP)
Commodity Production	51-99 Persons	Less than 4.000.000.000	Less than 4.000.000.000
Trade	51-99 Persons	Less than 4.000.000.000	Less than 6.000.000.000
Services	51-99 Persons	Less than 6.000.000.000	Less than 4.000.000.000

### Article 7: Implementation

Ministry of Industry and Commerce is the main responsible party with the collaboration of line ministries, Local Administrative Authorities, and other relevant parties to the implementation of the Decree.

**Article 8: Effectiveness**

This Decree becomes effective since the date of signature and after the official publication on Lao Official Gazette fifteen (15) days. Other principles that are against this Decree shall be terminated.

**The Government of Lao PDR  
Prime Minister  
Thongloun SISOULITH**