

## Decision on the Management of Accounting Software Comes into Operation on 28 July 2021

On 14 July 2020, the Ministry of Finance ("MOF") issued a Decision on the management of the accounting software No.1835/MOF ("**Decision**"), which was published in the Lao Official Gazette on 13 July 2021 and came into force on 28 July 2021. This Decision sets out the principles, rules, and measures in relation to the promotion of the use of modern tools in management-accounting activities. The Decision applies to individuals, legal entities, accounting units, and relevant departments/agencies using and developing accounting software in Lao PDR, and replaces the Decision No.0210/MOF dated 1 February 2010.

### **Types of accounting software for management-financing and accounting activities**

The types of accounting software developed for use in management-financing and accounting activities include the following:

- (a) Accounting software used for the unit holding a state account; and
- (b) Accounting software used for the unit holding an enterprise account.

The accounting software used for the unit holding a state account may be used for loans and grants programmes such as foreign loans programmes, foreign grants programmes, and those that relate to social organisations, foundations, non-profit funds, and entities. The accounting software used for the unit holding an enterprise account or specific account may be permitted by MOF for use by fund providers.

The accounting software used in budget-treasury work and the accounting software of banks and other financial institutions under the management of the Bank of the Lao PDR must comply with the specific regulations of the Bank of Lao PDR.

### **Issuance of License; Seeking Permission to Develop Accounting Softwares**

MOF issues licenses for accounting softwares or annual accounting software track records. It issues such licenses or software track records within 15 working days following the submission of supporting documents by the applicants.

# Client Update: Lao PDR

## 2021 OCTOBER

Individuals and legal entities that intend to develop accounting softwares for general purposes must comply with the following conditions:

- (a) Obtain an Enterprise Registration Certificate, Taxpayer Identification Certificate or Tax Certificate, accounting tracking record and approval from the Ministry of Post and Telecommunications;
- (b) Employ a regular accounting staff, accounting expert or an accountant as a consultant; and
- (c) Obtain a license or sale-purchase agreement from the owner of the software in instances where an individual or legal entity uses a ready-made accounting software or copyrighted software.

Individuals and legal entities that intend to develop accounting softwares for specific project must seek permission from MOF and comply with the requirements set out in the Decision.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

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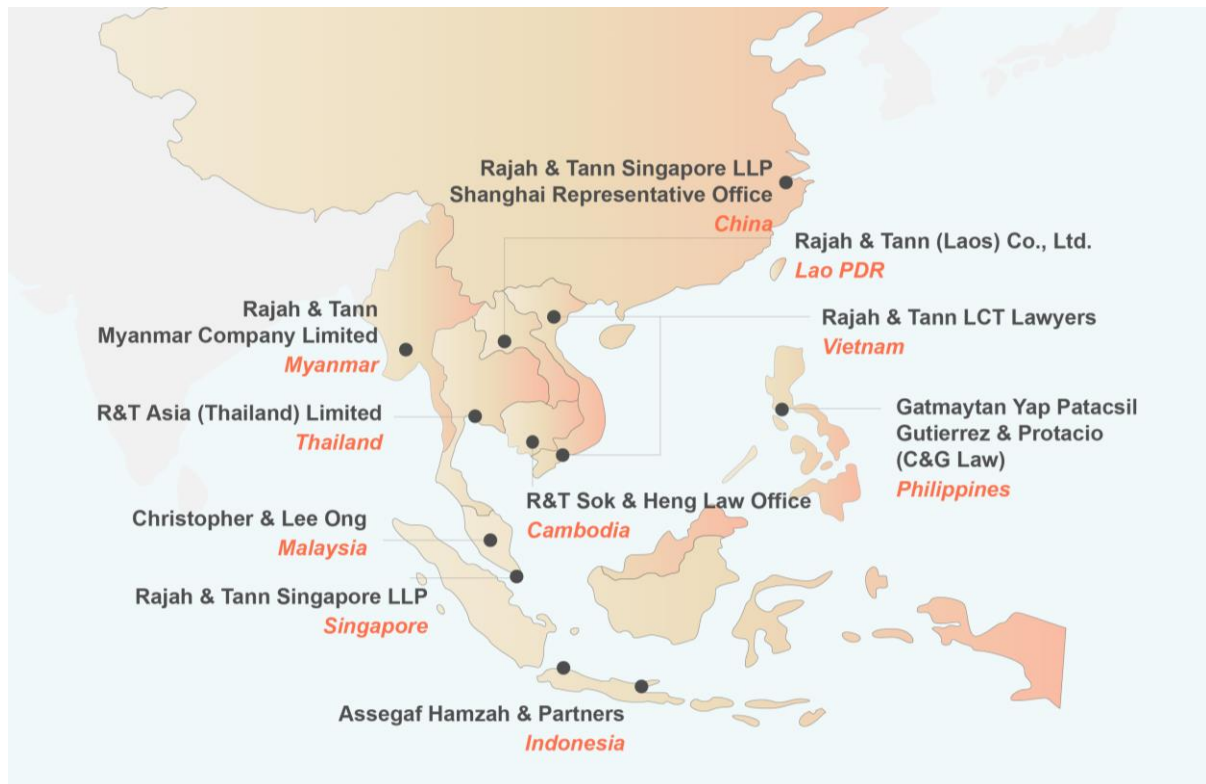
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