

LEGAL AND TAX DIGEST

BANGLADESH

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Legislative developments – May & June 2025





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Legislation

"Revenue Policy and Revenue Management Ordinance 2025" No. 24 dated 12 May 2025 issued by the President of the People's Republic of Bangladesh, the Ministry of Law, Justice and Parliamentary Affairs, Department of Legislative and Parliamentary Affairs

On May 12, 2025, in a landmark move set to reshape the country's fiscal landscape, the President of Bangladesh promulgated the Revenue Policy and Revenue Management Ordinance 2025. This significant piece of legislation initiates a fundamental restructuring of the nation's revenue administration framework by separating the government's revenue policy-making functions from its revenue management and collection operations.

The stated purpose of the ordinance is to enhance the transparency and accountability of the country's revenue collection activities.

Key Provisions of the Ordinance

Core to the reform is the establishment of two distinct and independent bodies under the Finance Ministry:

1. **The Revenue Policy Division:** This division will be exclusively responsible for the formulation of tax policy. This includes proposing changes to tax laws, engaging in tax treaty negotiations, and conducting research and analysis to develop a stable and predictable tax regime.
2. **The Revenue Management Division:** This division will be tasked with the operational aspects of tax administration, including the assessment and collection of taxes, conducting audits, managing taxpayer services, and enforcing compliance with existing tax laws.

This new structure will oversee the administration of all major revenue-related legislation in Bangladesh, including the Value Added Tax and Supplementary Duty Act of 2012, the Income Tax Act of 2023, and the Customs Act of 2023.

The ordinance specifies that the National Board of Revenue Order, 1972 (President's Order No. 76 of 1972) is repealed, and the National Board of Revenue ("**NBR**") constituted under it is dissolved once the ordinance enters into effect after it is published in the official gazette.

The ordinance was enacted under Article 93(1) of the Constitution, as Parliament was not in session and the President deemed immediate action necessary. However, the NBR continues

to operate as before for practical considerations, and in addition, there have been several protests opposing the split of the NBR into two separate entities. In response, a Unity Council has been formed to demand the withdrawal of the ordinance. It remains to be seen whether the ordinance will be amended or repealed.

Potential Implications for Businesses and Taxpayers

If the ordinance does enter into effect, it is expected to have several profound implications for the business community and taxpayers:

- **Focused and specialized functions:** By creating two specialized divisions, the government aims to foster deeper expertise in both policy formulation and administrative execution. The Revenue Policy Division can focus on long-term economic goals and international best practices without being encumbered by day-to-day collection pressures. Simultaneously, the Revenue Management Division can focus on improving operational efficiency, digitization, and taxpayer services.
- **Enhanced transparency and reduced conflicts of interest:** Separating the body that writes the rules from the body that enforces them is a globally recognized good governance practice. This separation can reduce potential conflicts of interest, leading to fairer enforcement and a more transparent tax environment for businesses.
- **Greater predictability in tax policy:** A dedicated policy division may lead to more consultative and predictable changes in tax law, allowing businesses to plan their investments and financial affairs with greater certainty. This could reduce the frequency of ad-hoc changes and create a more stable fiscal environment.
- **Streamlined tax administration:** With a singular focus on administration, the Revenue Management Division is expected to streamline processes for tax filing, audits, and refunds. This could lead to faster resolution of taxpayer issues and more efficient administration.

***"Public Procurement (Amendment) Ordinance-2025"** No. 16 dated 4 May 2025 issued by the President of the People's Republic of Bangladesh, the Ministry of Law, Justice and Parliamentary Affairs, Department of Legislative and Parliamentary Affairs*

The government has overhauled the public procurement framework through the newly issued Public Procurement (Amendment) Ordinance-2025, introducing a series of major reforms aimed at enhancing transparency, competition, and flexibility.

One of the key changes is the removal of the price range cap for bids. Previously, bidders in national competitive tenders had to keep their prices within 10% of the government's estimated cost, while limited tendering allowed only a 5% variation. This is expected to allow for more realistic and market-responsive pricing.

Another significant reform is the mandatory use of the e-Government Procurement (e-GP) portal for all public procurement, which since its launch in 2011, has been used in fewer than 65 percent of government purchases. Making it compulsory is aimed at boosting efficiency, transparency, and accountability in the procurement process.

The ordinance also introduces a new categorization system for procurement. The traditional categories of goods, works, and services have been updated;—services are now divided into two broader and clearer categories: physical services and intellectual services. This change recognizes the growing demand for outsourced services like catering and event management, which were not distinctly classified before.

A landmark change is the inclusion of non-governmental organizations (“**NGOs**”) as eligible participants in public tenders. Previously excluded due to structural differences in fund management, NGOs can now bid for public projects, provided they are registered and authorized by the relevant regulatory body.

The ordinance also offers greater flexibility in the use of tender documents. While government-issued standard tender documents were once mandatory across all procurements, for complex projects procuring entities may now opt to use internationally-recognized documentation, such as those from the International Federation of Consulting Engineers, or British standards, subject to approval from the Bangladesh Public Procurement Authority.

In another notable policy shift, negotiations are now allowed in the procurement of physical services. This change acknowledges the practical complexities of procuring services like event management and operational support, allowing negotiations under specific conditions.

Overall, these reforms represent a substantial shift toward a more inclusive, transparent, and adaptable procurement system that better reflects the evolving needs of public sector projects.

“The Code of Civil Procedure (Amendment) Ordinance, 2025” No. 18 dated 8 May 2025 issued by the President of the People’s Republic of Bangladesh, the Ministry of Law, Justice and Parliamentary Affairs, Department of Legislative and Parliamentary Affairs

In a significant move to modernize Bangladesh’s civil justice system, the government has enacted an amended Code of Civil Procedure (Ordinance No. XVIII of 2025), which is effective from **May 8, 2025**. The amendments aim to **reduce litigation time, control costs, discourage frivolous cases, and address the backlog of pending matters**, all long-standing challenges of the country’s legal system.

These amendments come on the heels of sustained advocacy by the **Judicial Reform Committee**, which was formed to recommend practical and institutional changes to enhance the efficiency of Bangladesh’s justice system. The committee’s inputs have been critical in shaping the current reform package, which responds directly to long-standing demands for procedural streamlining and transparency.

Bringing Technology into the Courtroom

One of the most transformative changes is the **integration of digital communication** into court processes. Under amended **Order V, Rule 9(3)**, a summons can now be served via **SMS, telephone call, and instant messaging**, provided there is proof of delivery. This is intended to **streamline case initiation** and eliminate delays caused by traditional, manual modes of service.

In line with this digital shift, **Order VII, Rule 1** has been amended to require the **mobile numbers, email addresses, and national ID information** of both the plaintiffs and defendants.

Key Substantive Changes on Initiating Complaints

Among the core amendments:

- **Section 26** now mandates that **all facts in a complaint must be supported by affidavit**. This requirement front-loads the evidentiary burden on the plaintiff, deterring baseless litigation and encouraging thorough fact-checking before initiating a suit.
- In a related change, **Section 35A** has been revised to increase the compensatory costs for filing **false or vexatious claims** from BDT20,000 to **BDT50,000**.

Execution Simplified and Strengthened

- **Section 56** has narrowed the protection from arrest in the execution of money decrees to only include **elderly, infirm, pregnant, or breastfeeding women**, replacing the previous broad exemption for “a woman.” In a related change, **Section 57** titled –“Subsistence allowance by decree holders” has been **repealed**.
- **Section 94A**, a **newly introduced provision**, empowers courts to **direct executive authorities (including law enforcement)** to assist in decree execution and mandates compliance reporting, offering decree holders a more robust mechanism for enforcement.
- Perhaps the most consequential procedural shift is the **removal of the requirement for separate execution suits**. Under **Rule 104 of Order XXI**, courts can now accept **execution applications within the same suit record**, allowing **direct execution**. If met with resistance, courts are authorized to direct law enforcement to enforce possession or execution, significantly **reducing delays and administrative hurdles** in the enforcement process.
- Under new **Rule 30A of Order XXI**, **the government will bear the subsistence costs** for detained judgment debtors. It also allows for **civil imprisonment of judgment debtors for up to six months** for unpaid decrees. Partial payments, bonds, and provisions for release or re-arrest are included, ensuring flexibility and enforceability while also protecting against perpetual detention. This change eases the financial burden on decree holders and facilitates stronger enforcement of monetary decrees.

Ensuring Trial Efficiency and Finality

The reforms also tackle procedural inefficiencies:

- The number of **adjournments** allowed has been reduced from **six to four** under **Order XVII, Rule 1(3)**, enforcing stricter case discipline.
- Under **Order IX, Rule 13**, a defendant may not apply to set aside an ex-parte decree more than once, helping reduce repetitive litigation tactics.
- New **Order XVIII, Rule 4A** allows **examination-in-chief to be submitted by affidavit**, streamlining trial proceedings and reducing unnecessary repetition in court.

- The amendment to **Order XLI, Rule 21** bars the multiple rehearing of appeals dismissed for default or heard ex-parte, and a new provision under **Order XLI, Rule 30** allows appellate courts to decide on the merits of the case if the record is complete, even when parties are absent, aiming to **curb appeal-stage delays**.

Additionally, courts are now **mandated to specify the number of cases scheduled for full or partial hearings each day**, improving **case flow management and judicial accountability**.

"International Crimes Tribunal (Second Amendment) Ordinance 2025" No. 20/2025 dated 10 May 2025 issued by the President of the People's Republic of Bangladesh, the Ministry of Law, Justice and Parliamentary Affairs, Department of Legislative and Parliamentary Affairs

The President of Bangladesh introduced significant amendments to the *International Crimes Tribunal (Second Amendment) Ordinance 2025*, enhancing the scope of accountability under the law. These changes aim to hold not only individuals but also organizations responsible for international crimes committed during the 1971 Liberation War.

We provide below the key changes to the legislation.

Expanded Definition of the Term "Organization"

A new clause (bbb) has been added to Section 2 of the ordinance, broadening the definition of the term "organization." It now includes: *"Any political party, or any entity subordinate to, affiliated with, or associated with such a party, or any group of individuals which, in the opinion of the Tribunal, promotes, supports, endorses, facilitates, or engages in the activities of such a party or entity."*

This amendment empowers the International Crimes Tribunal ("**ICT**") to examine the role of political groups and allied organizations that may have contributed to or supported war crimes, crimes against humanity, and other offenses under the ordinance.

New Section 20B: ICT's Power to Penalize Organizations

A new Section 20B has also been incorporated into the ordinance, giving the ICT explicit authority to take punitive action against organizations found to be complicit in international crimes. It specifies that if the ICT determines that an organization has committed, ordered, attempted, incited, aided, abetted, conspired in, or facilitated any of the crimes specified under Subsection (2) of Section 3, it may impose a range of sanctions. These include banning the organization, suspending or cancelling its registration or license, halting its activities, and even confiscating its property.

This provision operates *notwithstanding anything contained in the ordinance or any other prevailing law*, underscoring the seriousness of such involvement and allowing the ICT broad discretion.

Rules and Regulations

"Trade Organization Rules 2025" SRO No. 144-Act/2025 dated 19 May 2025 issued by the Government of the People's Republic of Bangladesh, the Ministry of Commerce.

The Ministry of Commerce has officially released the Trade Organization Rules 2025 through a gazette notification, marking a significant step toward strengthening transparency, discipline, and professionalism within the country's trade organizations. These newly introduced rules outline comprehensive guidelines for the formation, registration, governance, and day-to-day operations of trade bodies across Bangladesh.

One of the most notable changes is the structural reform of the Federation of Bangladesh Chambers of Commerce and Industry ("**FBCCI**"), the preeminent trade organization in the country. Under the new framework, the FBCCI Board of Directors will consist of 46 members, including a President, Senior Vice President, and two Vice Presidents. Board seats will be allocated through a quota system among the chamber group, association group, and subscriber group to ensure balanced and inclusive representation.

To promote ethical leadership, the rules disqualify loan defaulters and tax evaders from running in elections. Prospective director candidates must be active members of their respective trade organization and show a track record of involvement in organizational activities.

Additional key provisions include:

- Eligibility requirements for candidates: must submit renewal certificates, their company's audited financial statements and minutes of their annual general meetings, and proof of payment of membership fees.
- Formation of an independent election board to ensure a transparent and impartial electoral process.
- Immediate disqualification or suspension of candidates and members found guilty of submitting false documents, manipulating voter lists, or attempting to influence the election process unfairly.

The rules also establish clear procedures for general assembly membership, conducting annual general meetings, submitting audit reports, and dissolving trade bodies when necessary. Overall, these reforms are expected to strengthen government oversight, foster accountability, and enhance professionalism within Bangladesh's trade and business environment.

"International Crimes Tribunal-1 Rules of Procedure 2010 (Amendment), 2025" ICT No. 01/562/2025 dated 22 May 2025 issued by the President of the People's Republic of Bangladesh, the Ministry of Trade

Following the amendment of the International Crimes Tribunal ("ICT") Ordinance, the ICT has amended its procedural rules, introducing significant changes to the trial process, particularly concerning organizations, arrests, and case management.

Trials involving Organizations (Rule-30)

With the change allowing organizations to be prosecuted, new rules detail the method:

- When a case is brought against an organization, a summons or warrant will be issued to its leadership (president, chairperson, or secretary).
- The designated leader will represent the organization during the trial and can be held personally responsible and punished for any violation of the ICT's orders.

Arrest and Investigation Powers (Rule-6)

- Investigators or designated prosecutors now have the authority to arrest suspects directly if they have reason to believe an offense has occurred.
- They can investigate the scene, make arrests, and seek assistance from law enforcement agencies.
- A crucial safeguard requires that anyone arrested must be allowed to appear before the ICT or a magistrate within 24 hours of arrest.

Additional Procedural Clarifications

- **Witness statements (Rule-24):** Investigators can request a judicial magistrate of the first class to officially record witness statements.
- **Trial management:** The ICT Chief Prosecutor has the discretion to try multiple accused individuals simultaneously or separately. Likewise, multiple allegations against a single person can be combined into one formal charge for a single trial.

Banking and Finance

FEPD Circular No. 19 dated 20 May 2025 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on "Remittances for Correspondence Courses"

To support the development of professional skills, authorized dealers ("ADs") are permitted to process remittances for students enrolling in correspondence or distance certification courses offered by foreign professional or educational institutions, specifically for the purpose of sitting for professional examinations.

ADs must verify the following documents before processing such remittances:

- A completed Travel and Miscellaneous Form signed by the applicant, along with a declaration as mentioned in the circular.
- A demand note, invoice, examination fee notice, or similar documentation from the foreign institution.

Key Conditions:

- Remittances must be made directly to the foreign institution, with applicable taxes deducted as required.
- This facility is limited to one correspondence course at a time per applicant.
- For any subsequent remittance under the same course, a current progress report must be reviewed.
- ADs may also use card channels to execute remittances in line with FE Circular Letter No. 18 dated 4 May 2025.
- All foreign exchange transactions related to a course must be conducted through the same branch of the AD bank throughout the course period.
- ADs are required to maintain a separate file for each student containing all relevant documents, to be readily available for inspection by the Bangladesh Bank.

Rules and Regulations

*SRO No. 279/2025 dated 29 June 2025 issued by the Ministry of Industries on “**Boiler Rules, 2025**”*

To enhance safety, clarify operational procedures, and establish a more robust regulatory system for boilers across the nation, the Government of Bangladesh has introduced new boiler rules that provide a comprehensive legal framework. These rules repeal and replace the Boiler Rules, 1961.

The main points are summarized below.

New Classifications with Mandated Lifespans

A significant update is the detailed classification of boilers with specific operational limits and lifespans. This categorization is designed to ensure that equipment is used within safe and efficient parameters. The classifications are as follows:

- **Electrode boilers:** These boilers, which use electric current to generate steam, are capped at a maximum water capacity of 300 liters and an operating pressure of 7 kg/cm². Their lifespan is set at 10 years.

- **Small industrial boilers:** Utilizing conventional fuel, these boilers have a maximum water capacity of 500 liters, an operating pressure of 7 kg/cm², and a lifespan of 15 years.
- **Industrial boilers:** This category includes all boilers exceeding the capacity or pressure of small industrial boilers and is further divided into two types:
 - **Packaged boilers:** These are assembled at the manufacturer's factory and have a maximum lifespan of 30 years.
 - **Field-erected boilers:** These boilers, typically water tube or combined tube, are assembled on-site and have a maximum lifespan of 60 years.

The rules also permit a one-time extension of the lifespan for all boiler types by a maximum of 10 years, subject to approval from the Boiler Board and successful completion of non-destructive and efficiency tests.

Stringent Registration and Renewal Processes

The new rules outline a meticulous process for the registration and renewal of boiler usage certificates. To register a new boiler, applicants must submit a comprehensive set of documents, including cross-sectional construction drawings, calculations of pressure parts and ratings, and various certificates from inspection bodies and manufacturers.

The renewal of a boiler usage certificate is now required under several specific circumstances, including the expiration of the approved period; the transfer or relocation of the boiler; any repairs to the boiler or its components; if the boiler has been out of use for at least 90 days; or in the event of an accident.

Enhanced Inspection and Maintenance Protocols

To ensure operational safety, the new rules mandate rigorous inspection and preparation procedures. Before any inspection, boilers must be properly installed and equipped with standard fittings and mountings. For a thorough inspection, the boiler must be cooled, drained, and cleaned. Specific preparations are also detailed for hydraulic tests and safety valve tests.

The rules place a strong emphasis on the quality of the water used in boilers, requiring that feed water and boiler water parameters are controlled according to the code under which the boiler was manufactured. Regular maintenance, including daily, weekly, monthly, and annual checks as per the code, is now a legal requirement.

Clear Delineation of Responsibilities

The Boiler Rules, 2025, clearly define the responsibilities of various stakeholders, including the Chief Boiler Inspector, Deputy Chief Boiler Inspectors, and Boiler Inspectors. A significant portion of the rules is dedicated to the duties of boiler users, who are responsible for appointing qualified boiler operators based on the boiler's heating surface. The rules stipulate that a boiler operator's daily work hours must not exceed eight hours. Furthermore, boiler users are now required to provide risk insurance for the boiler operators.

Penalties and Accident Compensation

The new rules introduce a structured approach to penalties for non-compliance. The Chief Boiler Inspector is empowered to determine the minimum fines for various infractions based on the size of the boiler. Failure to pay fines within the stipulated time can lead to legal action under Section 27 of the Boiler Act, 2022.

In the unfortunate event of an accident resulting in injury or death, the rules establish a clear compensation framework. For boilers with a heating surface of up to 1,500 square feet, the compensation for a fatality is a maximum of BDT1,500,000. For boilers exceeding this size, the compensation for a fatality is a maximum of BDT2,500,000. The compensation for physical injury ranges from BDT100,000 to 1,000,000, depending on the severity of the injury.

New Opportunities for Service Providers

The Boiler Rules, 2025 also formalize the qualifications and registration process for various service providers in the boiler industry. This includes boiler manufacturing and repair companies, boiler inspection agencies, indenting firms, welding test institutes, and training organizations. This move is expected to professionalize the sector and ensure that all related services meet a minimum standard of quality and safety.

Banking and Finance

*FEPD Circular No. 24 dated 25 June 2025 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on "**Extending the Purview of Offshore Banking Operations**"*

This circular expands the scope of services for offshore banking units ("**OBUs**"). It augments FE Circular No. 11 dated 30 January 2025 on Guidelines for the Offshore Banking Business of Scheduled Commercial Banks in Bangladesh, which provides operational instructions for OBUs, among other directives. The key highlights are provided below.

Expansion of services for non-resident customers: To broaden the scope of operations, OBUs are now permitted to provide services to non-resident customers holding accounts with them. These services include, but are not limited to, trade-related activities such as advising, collection, and settlements, subject to the following:

- OBUs must ensure the legitimacy of the services offered to non-resident clients.
- OBUs are prohibited from undertaking any exposure or financial commitments on behalf of such clients.
- Proper due diligence must be conducted before processing any transaction.

Repatriation of inward remittances: OBUs may facilitate inward remittance services for credit to customers' accounts through internationally recognized entities such as money transfer operators, online payment gateway service providers, digital wallets, card schemes, or other authorized payment service providers abroad. Suitable foreign currency arrangements must be in place with such operators. Under these arrangements, only fund repatriation is permitted for crediting customer accounts.

In cases where repatriated funds are intended for customers maintaining accounts with other OBUs or domestic banking units, OBUs must immediately transfer the funds in foreign currency to the beneficiary's bank using the BD-RTGS system.

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LAOS



Banking and Finance

*Decision No. 45 issued by the Prime Minister dated 11 April 2025 and published in the Lao Official Gazette on 2 June 2025 on **"Increase of the Registered and Investment Capital of Commercial Banks and Foreign Commercial Bank Branches"***

This decision sets out certain increases in the registered capital of commercial banks and the investment capital of branches of foreign commercial banks in the Lao PDR.

Within 10 years from 2 June 2025, commercial banks that were established prior to the entry into force of the Commercial Bank Law No. 39/NA dated 17 July 2023 must raise their registered capital to a minimum of LAK1 trillion, and branches of foreign commercial banks established prior to that time must increase their investment capital to a minimum of LAK600 billion. During the first five years of this period, they must increase their capital by at least 30% of the total amount required to reach the above minimums.

Furthermore, commercial banks and branches of foreign commercial banks whose net capital ratio is below the threshold specified by the Bank of the Lao PDR's regulations must also raise their registered or investment capital to meet the net capital ratio within three years from 2 June 2025.

These entities may increase their registered or investment capital through the following methods:

- Capital injection by existing shareholders or their parent bank.
- Retention of net profits or undistributed earnings.
- Conversion of outstanding loans into equity capital.
- Restructuring of shareholding by issuing new shares to new investors, whether in the form of a limited liability private company or a public company.
- Any other method approved by the Bank of the Lao PDR.

*Decisions No. 448 dated 2 June 2025 and No. 490 dated 16 June 2025 issued by the Bank of the Lao PDR on “**Wire Transfers Exceeding the Specified Limit**” and “**Cash Transactions Exceeding the Specified Limit**”*

These decisions set out the threshold for reporting wire transfers or cash transactions that exceed the specified limit. When such transactions occur, reporting entities such as commercial banks, microfinance institutions, insurance companies, asset management firms, leasing companies, and money transfer service providers are required, under the Law on Anti-Money Laundering and Counter-Terrorism Financing No. 64 dated 1 July 2024, to report them to the Anti-Money Laundering Intelligence Office.

These decisions replace the previous specified limit set out in the 2015 decisions. The new reporting thresholds are as follows:

Wire transfers: Transactions exceeding LAK25 million or the equivalent in foreign currency, whether for local or overseas transfers, in a single transaction.

Cash transactions: Transactions exceeding LAK300 million or the equivalent in foreign currency, including deposits, withdrawals, currency exchanges, cheque sales or purchases, or other types of cash transactions, in a single transaction.

Intellectual Property

*Decision No. 0874 issued by the Ministry of Industry and Commerce on 30 May 2025 on “**Trademark**”*

This decision replaces its previous decision issued in 2023 and provides further guidelines on the trademark-related provisions of the Law on Intellectual Property No. 50/NA dated 30 November 2023. However, it does not significantly overhaul the previous 2023 decision. This decision enters into effect on 4 July 2025.

Some of the key changes are outlined below.

- **Required application documentation:** Applicants that use a representative are not required to submit an original power of attorney; a copy is sufficient.
- **Additional provisions on trademarks with foreign words:** If a trademark contains foreign words, applicants must provide an accurate translation and the Lao language pronunciation.
- **Renewal application deadline:** This decision and the previous 2023 decision provide that if the deadline for filing a renewal application falls on an official holiday or a day when the Department of Intellectual Property does not accept applications, the deadline is extended to the next working day. This decision also addresses renewal applications submitted electronically, stating that they can be filed at any time, including on official holidays. This

now creates some uncertainty as to whether the deadline for electronic applications will also be allowed to be the next working day.

- **Applicant representative changes:** This decision removes the reference to “co-creators” with regard to the trademark registration application and instead refers only to an authorized representative of the trademark owner.

It also removes the option for licensed lawyers to act independently as the representative of a foreign applicant, specifying instead that only agent companies—including law firms—providing trademark registration services and registered with the Department of Intellectual Property may act on their behalf. This change aligns with existing practice.

- **One power of attorney to cover multiple applications:** This decision removes the requirement that each application have a separate power of attorney; now a power of attorney can cover more than one application.

Labor

*Presidential Decree No. 002 issued by the President of the Lao PDR on 2 June 2025 on “**Amendment of Articles 34 and 38 of the Social Security Law**”*

This decree amends Articles 34 and 38 of the Social Security Law No. 54/NA dated 21 June 2018, which address the eligibility criteria for retirement benefits and the calculation method for the one-time lump-sum retirement payment.

The amendments are outlined below.

Retirement age

Previously, the retirement age was 60 for men, while women could retire as early as 55. Under the amendment, the retirement age range for men is now 57 to 60 and remains 55 to 60 for women.

Early retirement

To be eligible for full pension benefits, employees must contribute to the social security fund for at least 25 years.

Previously, early retirement was permitted for male employees who were at least 57 years old and female employees who were at least 52 years old if they had 30 years of contributions, or those who reached retirement age and had at least 23 years of contributions, but their pension would be reduced by 1% for each year short of the 25-year contribution minimum or retirement age.

Under the amendment, employees may choose to retire early once they reach the stated retirement age and have contributed for at least 23 years. However, their pension will be reduced by 1% for each year short of the 25-year minimum.

One-time lump-sum retirement payment

Employees who reach retirement age have the right to retire. However, if they did not contribute for at least 23 years at the time of retirement, they will not be eligible to receive a monthly retirement pension. Instead, they will be entitled to a one-time lump-sum retirement payment.

Under the amendment, the lump-sum payment is calculated at 85% of the employee's last contribution-based salary, multiplied by 1.5 months and the total number of years the employee has contributed. This replaces the previous rate of 150% under the old provisions.

Example: If an employee's last contribution-based salary was LAK2,000,000 and they contributed for 15 years, the lump-sum payment would be calculated as follows:

85% of LAK2,000,000 = LAK1,700,000

LAK1,700,000 × 1.5 months × 15 years = **LAK38,250,000.**

Government

*The Party Central Committee Resolution No. 03 dated 12 March 2025 and the National Assembly Resolution No. 05 dated 20 March 2025 on "**Approval of the Lao Government Restructuring**"*

Following the 12 March 2025 resolution of the Party Central Committee and its subsequent approval by the Ninth Legislature of the National Assembly of the Lao PDR during its second extraordinary session on 20 March 2025, the Lao government undertook a significant restructuring of its ministries in June 2025. The reform aims to enhance efficiency, reduce bureaucratic redundancy, and improve public administration.

Key highlights are outlined below.

Mergers of ministries

The restructuring included the merging of certain ministries to form the following ministries:

- **Ministry of Finance** - Formed by merging the former Ministry of Finance and the Ministry of Planning and Investment.
- **Ministry of Industry and Commerce** - Formed by merging the former Ministry of Industry and Commerce and the Ministry of Energy and Mines.
- **Ministry of Agriculture and Environment** - Formed by merging the former Ministry of Agriculture and Forestry and the Ministry of Natural Resources and Environment.

Dissolution and transfer of duties

- The Ministry of Home Affairs has been dissolved, and its responsibilities have been transferred as follows:

- Personnel and civil servant management has been transferred to the Party Central Committee.
- Governance, mapping, and religious affairs have been transferred to the Prime Minister's Office and other relevant ministries.
- Communication and information affairs, previously managed by the Ministry of Information, Culture, and Tourism, has been transferred to the Party Central Propaganda and Training Committee.
- The Ministry of Information, Culture, and Tourism is now the Ministry of Culture and Tourism.

Changes in ministerial appointments

MINISTRY/AGENCY	NEWLY APPOINTED MINISTER	PREVIOUS ROLE
Ministry of Industry and Commerce	Mr. Malaithong Kommasith	Minister of Industry and Commerce prior to the merger
Ministry of Education and Sports	Assoc. Prof. Dr. Thongsalith Mangnomek	Head of Party Central Committee Office
Ministry of Finance	Mr. Santiphab Phomvihane	Minister of Finance prior to the merger
Ministry of Labor and Social Welfare	Mr. Phoxay Sayasone	Minister of Energy and Mines
Ministry of Health	Ms. Baykham Khatthiya	Minister of Labor and Social Welfare
Ministry of Agriculture and Environment	Assoc. Prof. Dr. Linkham Douangsavanh	Minister of Agriculture and Forestry
Bank of the Lao PDR	Ms. Bounkham Vorachit	Minister of Natural Resources and Environment
Party Central Committee Office	Dr. Phet Phomphiphak	Minister of Planning and Investment

Ministers retained in their current roles

- **Ministry of Culture and Tourism:** Ms. Suansavanh Viyaket
- **Ministry of National Defense:** Mr. Khamlieng Outhakaisone
- **Ministry of Public Security:** Mr. Vilay Lakhamfong

- **Ministry of Technology and Communications:** Mr. Boviengkham Vongdara
- **Ministry of Justice:** Mr. Phaivi Siboulipha
- **Ministry of Foreign Affairs:** Mr. Thongsavanh Phomvihane
- **Ministry of Public Works and Transport:** Mr. Gnampasong Meuangmany

Environment

*Decision No. 1926 dated 3 June 2025 issued by the Ministry of Agriculture and Forestry (now restructured and renamed as the Ministry of Agriculture and Environment) on "**Forestry Tourism**"*

This decision aims to ensure that tourism operations in forest areas are carried out in an eco-friendly, responsible, and sustainable manner, without harming the natural ecosystem. It promotes collaboration among entrepreneurs, government authorities, and local communities, with operations carried out under a formal partnership agreement.

The decision also outlines several key regulatory provisions, including types of cooperation; application requirements; supporting documentation; review and approval procedures; the rights and obligations of entrepreneurs, the government authorities, and the local communities; and enforcement measures for violations. Of note are the following provisions:

Types of business operations

This decision sets out two main forms of business operations for forestry tourism:

- Through **leasing or concession arrangements**, where the entrepreneur is granted rights to operate in the forest area.
- Through **partnership agreements** involving joint collaboration with the government and local communities.

Requirements

The decision sets out detailed requirements concerning:

- The suitability of forest areas for tourism, categorized as follows: (i) prohibited areas, where infrastructure development is not permitted, visitor numbers are limited, and access must be guided by licensed tour guides; (ii) protected areas, where limited infrastructure with minimal environmental impact is allowed and tours are led by local guides; and (iii) other designated areas as determined by the Lao government.
- Entrepreneurs must meet specific qualifications to operate forestry tourism, including having a valid enterprise registration, a tourism business operating license, a tax payment certificate, and proven knowledge or expertise in tourism, and forestry and environmental sciences.

- To be eligible to benefit from and participate in the partnership agreement, local communities must meet the following requirements: (i) have established regulations for forest protection and management; (ii) possess an operational office and designated personnel; and (iii) be located within or in proximity to the relevant forest area.

Application and approval procedures

The process is as follows:

- Submission of an application and feasibility study.
- Preparation and execution of a partnership agreement.
- Review and approval of the feasibility study report and partnership agreement by the competent authorities.

Approval authority

- For projects covering multiple provinces, the Ministry of Agriculture and Environment is the approving authority.
- For projects at the provincial or district level, approval is granted by the relevant provincial governor.

Enforcement measures

Strict restrictions are imposed to prevent environmental damage. The decision also sets out enforcement measures and penalties for non-compliance or violations, including fines, suspension of business operations, compensation for damages, and criminal liability.

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MYANMAR



Taxation

*Notification No. 29/2025 dated 7 May 2025 issued by the Ministry of Planning and Finance and Announcement No. 009/2025 dated 13 May 2025 issued by the Customs Department on **"Tariff Reductions under the Regional Comprehensive Economic Partnership Agreement"***

The Regional Comprehensive Economic Partnership ("**RCEP**") Agreement is a free trade agreement dated 15 November 2020 between 15 countries—10 Member States of the Association of Southeast Asian Nations ("**ASEAN**") (Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam) and five other countries in the East Asia region (Australia, China, Japan, the Republic of Korea, and New Zealand).

Myanmar began tariff reductions in its trade with China in 2022 after the deposit of the instrument of ratification with the ASEAN Secretariat. This notification specifies that the provisions of the RCEP agreement between Myanmar and the following RCEP signatories entered into force with effect from 7 May 2025:

1. Brunei Darussalam
2. Cambodia
3. China
4. Indonesia
5. The Lao People's Democratic Republic
6. Malaysia
7. Singapore
8. Thailand
9. Vietnam

In line with this, the Customs Department issued Announcement No. 009/2025 that the HS 2017 version has been updated in line with the RCEP Master Table Setting of the Myanmar Automated Cargo Clearance System ("**MACCS**") for the goods to which the reduced tariff rates will apply.

To access the reduced tariff rates, Form – RCEP must be filled in for the goods imported from the nine countries and uploaded via the MACCS.

*Notification No. 39/2025 dated 4 June 2025 issued by the Ministry of Planning and Finance on "**Reduction of Customs Duty Rates on the Importation of Fuel-Powered Vehicles**"*

The Ministry of Planning and Finance has reduced or eliminated the customs duty rates applicable to the importation of fuel-powered vehicles into Myanmar under a permit issued by the Myanmar Investment Commission, under three different systems—Completely-Built-Up ("**CBU**"), Semi-Knocked-Down ("**SKD**") and Completely-Knocked-Down ("**CKD**"), as below:

No.	Type of Vehicle	Customs Tariff Rate 2022 (%)			Reduced Customs Tariff Rate (%)		
		CBU	SKD	CKD	CBU	SKD	CKD
1	Passenger vehicles with 2,000 ccs and below	30	7.5	5	-	5	3
2	Passenger vehicles with 2,001 ccs and above	40	7.5	5	-	5	3
3	Three-wheeled motorcycles (passenger)	20	7.5	5	-	3	1.5
4	Three-wheeled motorcycles (cargo)	10	7.5	5	-	3	3
5	Buses	10	7.5	5	-	3	3
6	Trucks	10	7.5	5	-	3	3
7	Motorcycles	5	3	3	-	1.5	1.5

This notification is in force from 1 June 2025 until 31 May 2026.

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