



The Implementation of
The ASEAN Mutual
Recognition
Agreements
In Lao PDR



A Needs Assessment



THE IMPLEMENTATION OF THE ASEAN MRAS IN LAO PDR

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Contents

I.	Introduction	5
II.	Context	5
	i) The Lao PDR Services Economy	6
	ii) Trade in Services in the ASEAN region and the MRAs	6
	Box 1: AFAS Article V : Mutual Recognition	8
	Figure 1: How MRAs fit into the trade in services framework.....	10
	iii) The potential benefits of implementing ASEAN MRAs	11
III.	The ASEAN Mutual Recognition Agreement (MRAs).....	14
	Sectoral coverage of ASEAN MRAs	14
	What do the MRAs require?	14
	Group 1: The Infrastructure Professions.....	15
	i) Architectural services.....	15
	ii) Engineering Services	19
	Group 2: Healthcare.....	22
	i) Medical Practice	22
	ii) Dentistry	23
	iii) Nursing.....	24
	Group 3: Accountancy Services and Surveying.....	25
	i) Accountancy Services.....	25
	ii) Surveying Qualifications.....	28
IV.	The MRA professions in Lao PDR	29
	Group 1: The Infrastructure Professions.....	29
	Group 2: The Healthcare Professions	32
	i) Medical Practitioners.....	35
	ii) Dental Practitioners.....	35
	iii) Nursing.....	35
	Group 3: The MRA framework professions.....	35
	i) Accountancy Services.....	35
	ii) Surveying services.....	38
	Conclusions	41
V.	GAP analysis.....	42
	Table 1: Gap Analysis of ASEAN MRA requirements and Lao PDR's Approach to regulating professional services	44
VI.	Issues and Challenges	61
	i) The Constraints of the Market	61
	ii) Establishing the necessary infrastructure	61
	iii) Operationalising MRA compliant regulation	62

iv)	Creating professional cadres and a thriving professional services economy	63
VII.	Drawing on Experience from elsewhere	65
VIII.	Recommendations	67
i)	Recommendations to Ministries responsible for trade in services and investment and others with horizontal responsibilities	67
ii)	Recommendations to line Ministries responsible for MRAs	68
iii)	Recommendations to PRAs.....	68
iv)	Recommendations to Universities	68
IX.	An Action Plan.....	69
X.	Possible role for future technical assistance.....	77
XI.	Annexes	81

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All of the views in this report are the responsibility of the author but all factual corrections or other observations will be welcome and can be sent to alison.hook@hookinternational.co.uk.

Abbreviations

AAC – ASEAN Architects' Council
ACPA - ASEAN Chartered Professional Accountant
ACPACC - ASEAN Chartered Professional Accountant Coordinating Committee
ACPAR - ASEAN Chartered Professional Accountants Register
ACPE - ASEAN Chartered Professional Engineer
ACPECC – ASEAN Chartered Professional Engineer Coordinating Committee
ADB – Asian Development Bank
AEC - ASEAN Economic Community
AFAS - ASEAN Framework Agreement on Services
AJCCD – ASEAN Joint Coordinating Committee on Dental Practice
AJCCM – ASEAN Joint Coordinating Committee on Medical Practice
AJCCN – ASEAN Joint Coordinating Committee on Nursing
ALACE - Association of Lao Architects and Civil Engineers
ASEAN - Association of South East Asian Nations
CCS – Co-ordinating Committee on Services
CPA - Certified Public Accountants
CPC - Central Product Classification
CPD – Continuing Professional Development
CU – Champassak University
FTPD – Foreign Trade Policy Department
FIG – International Federation of Surveyors
GATS - General Agreement on Trade in Services
GIS – Geographic Information Systems
IAASB – International Auditing and Assurance Standards Board
IFAC - International Federation of Accountants
IFRS International Financial Reporting Standard
JICA – Japanese International Co-operation Agency
LDC – Least Developed Country
LICPA - Lao Institute of Certified Public Accountants
MC - Monitoring Committee
MOIC - Ministry of Industry and Commerce
MPWT - Ministry of Public Works and Transport
MPC – Medical Profession Council
MRA - Mutual Recognition Arrangements
NAB – National Accountancy Body
NGD – National Geographic Department
NUOL - National University of Laos
ODA – Overseas Development Assistance
PDRA – Professional Dental Regulatory Authority
PMRA – Professional Medical Regulatory Authority
PPA – Practising Professional Accountant
PRA - Professional Regulatory Authority
RFA – Registered Foreign Architect
RFPA – Registered Foreign Professional Accountant
RFPE – Registered Foreign Professional Engineer
SMEs Small and Medium-sized Enterprises
SU – Souphanouvong University
UHS – University of Health Sciences
UIA – Union Internationale des Architectes

I. Introduction

1. This needs assessment report examines what Lao PDR needs to do in order to participate fully in the ASEAN Mutual Recognition Agreements (MRAs) for accountants, engineers, architects, surveyors, medical practitioners, dental practitioners and nursing services. The report is one output of a sub-component of the Second Trade Development Facility (TDF-2), a project funded by the World Bank¹. Overall, the objectives of the TDF-2 are to increase Lao PDR's integration into the regional economy and reduce its dependence on export earnings from natural resources. The project appraisal document² identifies that participation in the ASEAN professional services MRAs will help to support these objectives by improving skills development, enhancing regulatory capacity and improving access to services regulations.
2. The introduction of higher standards of domestic professional qualification and practice, which should follow from active participation in the MRAs, will also support wider Lao PDR development objectives. Inward investment, infrastructure development, private sector development and health indicators could all benefit from the effects that improved professional services regulation and the greater availability of skilled professionals will bring. This report therefore not only looks at the minimum criteria that Lao PDR will need to satisfy in order to meet the requirements of the MRAs but it also explores what actions can be taken to maximise the impact on wider policy objectives of fulfilling these requirements.
3. Section 2 of this report contains further background on the rationale and possible benefits of the MRAs. Section 3 then looks in more detail at what is required in order for any ASEAN member country to implement the agreements and section 4 considers how far Lao PDR has got in implementing their requirements. Section 5 then sets out an analysis of the gaps between the MRA requirements and existing Lao implementation. This gap analysis needs to be qualified by the fact that, since there is a lot of work currently underway in the line Ministries responsible for implementing the MRAs, the position as reported, which was current at 1 December 2014, may have been superseded. Section 6 then outlines the issues and challenges that face the various stakeholders responsible for the MRAs as they complete the implementation process and section 7 suggests useful lessons that may be drawn on from elsewhere in the region. Section 8 sets out summary recommendations as to how Lao PDR can maximise the benefits of its participation in the MRAs and section 9 outlines the actions that flow from these recommendations, including road maps for each MRA sector. Finally, section 10 outlines how further technical assistance could help to achieve the actions suggested.

¹ Second Trade Development Facility Project (P130512)

² World Bank Report 71835-LA

II. Context

The Lao PDR Services Economy

4. Lao PDR is aiming to graduate from Least Developed Country (LDC) status by 2020 and has achieved impressive growth rates over the past decade or so, with real GDP growth averaging 7.1% from 2001-10. This growth has been driven to a significant extent by the growth of the natural resources economy, and the mining and hydropower sectors in particular. In order to ensure that future growth is balanced and helps to contribute to wider economic and social targets, Lao PDR is also integrating more closely into the global and regional economies.
5. Services are an important part of this process of economic diversification and in 2011, accounted for a quarter of all trade and around 37% of GDP. Historically, services sectors in Lao PDR have been dominated by public sector supply and have focused on areas like transportation, storage, communication and financial services. But in recent years, tourism has grown as a source of export revenue and market-oriented reforms have given an impetus to new areas of service activity such as ICT, construction, distribution, education, environment, insurance, banking and tourism.
6. This desire to promote the share of services in the economy, has been reflected in Lao PDR's trade commitments. On 2 February 2013, Lao PDR joined the WTO and made some high quality commitments for key services sectors, these can be found at Annex 1. Between 1997-2010, Lao PDR also made a series of services sector commitments in the context of the ASEAN Framework Agreement on Services (AFAS).
7. AFAS has the stated objective not only of substantially eliminating restrictions in trade of services but also of enhancing cooperation between ASEAN member countries in order to improve the efficiency and competitiveness of their service suppliers and to help them to diversify production capacity. Lao PDR's AFAS commitments in the sectors considered in this report are also summarised in Annex 1. Although the older AFAS packages of commitments are in some instances less liberal than the 2013 WTO commitments, it is the ASEAN context that is now driving reform of services in Lao PDR. Although, overall the market access position of Lao PDR across the services sectors relevant to this report, is generally open.

Trade in Services in the ASEAN region and the MRAs

8. In 2003 the ASEAN member countries embarked on the objective of forming an ASEAN Community; and in 2007 decided to bring forward the date of its establishment to 2015³. The Economic Community (AEC) is one of the key pillars of the overall ASEAN Community and is built on free movement in five key areas: goods, services, investment, capital and skilled labour. This is the context in which the Mutual Recognition Agreements for professional services have been agreed by ASEAN. MRAs are based on the recognition that market access commitments may not, in fact, be sufficient to give any service supplier the right to provide services in a regulated market; particularly in professional service sectors such as law, accounting, engineering, surveying, veterinary services, architecture and the healthcare professions can be distinguished from other services sectors by some public interest reasons, which require individuals providing services in such markets not only to meet initial authorisation standards, but also to fulfil ongoing regulatory demands. For example, in accounting, the need for ongoing

³ Cebu Declaration on the Acceleration of the Establishment of an Economic Community by 2015

regulation⁴ of individuals providing services, is justified by the need to ensure the trustworthiness and accuracy of company accounts that are used for investment and lending decisions.

9. The process of obtaining the right to provide such services in another country will usually involve the following steps:
 - a) Verification of the right to supply the relevant service (see schedule of specific service sector commitments).
 - b) Acquisition of any necessary licences from host country professional regulatory authority (PRA). This will either require an individual to fulfil all conditions of licensing in the host country from scratch or, through an MRA, or equivalent mechanism, it will provide for recognition of the migrant professional's home country qualification.
 - c) Acquisition of any required work permit or immigration permission.
 - d) Ongoing compliance with the requirements of the host professional competent authority and usually also with those of the home country competent authority.

This underlines that the role of MRAs as a complement to service sector commitments and commitments on free movement of workers. Figure 1 below, illustrates how these different elements fit together and where MRAs may come into play as a tool to enable trade in professional services.

10. Annex 1 illustrates how Lao PDR's sectoral and horizontal commitments in GATS and AFAS already provide market access for professional services providers. Given that these markets are often unregulated, in most sectors (perhaps with the exception of healthcare) there is unlikely to be a significant increase in the number of foreign service providers in the first instance as a result of the implementation of the MRAs. Where they will make a difference, however, is in the clarity and certainty facing foreign service suppliers and in their level of integration with domestic service suppliers.
11. The ASEAN Framework Agreement on Services (AFAS) (see Box 1, below) sets out the high level commitment on mutual recognition agreements made by the ASEAN members. This has to a large extent subsequently been overtaken by the negotiation of specific sectoral agreements. However, this article does also illustrate the possibility for the creation of further mutual recognition in other sectors.

⁴ Ongoing regulation implies adherence to a code of conduct, maintenance of a licence and possibly fulfilment of continuous professional development and insurance requirements. Professional regulation is designed to achieve public policy goals or to overcome information asymmetries between the buyers and suppliers of professional services and give some assurance of the quality of the service being procured.

Box 1: AFAS Article V : Mutual Recognition

- 1 . Each Member State may recognise the education or experience obtained, requirements met, or licenses or certifications granted in another Member State, for the purpose of licensing or certification of service suppliers. Such recognition may be based upon an agreement or arrangement with the Member State concerned or may be accorded autonomously.
2. Nothing in paragraph 1 shall be so construed as to require any Member State to accept or to enter into such mutual recognition agreements or arrangements.

12. To date, the ASEAN member countries have concluded seven MRAs :

- MRA on Engineering Services signed on 9 December 2005;
- MRA on Nursing Services signed on 8 December 2006;
- MRA on Architectural Services and Framework Arrangement for the Mutual Recognition of Surveying Qualifications both signed on 19 November 2007;
- MRA on Medical Practitioners, MRA on Dental Practitioners, and MRA Framework on Accountancy Services, all signed on 26 February 2009.

Lao PDR is a signatory to all of these agreements.

13. Progress in the implementation of these agreements is monitored by the ASEAN Coordinating Committee on Services (CCS), at which Lao PDR is represented by the Foreign Trade Policy Department (FTPD), whilst overall progress towards the AEC is the responsibility of the Ministry of Industry and Commerce (MOIC). Each sectoral agreement is supported by its own co-ordinating committee. These committees tend to meet on average around 3-4 times a year and bring together the national line ministries and authorities responsible for each MRA sector. The sectoral MRA coordinating committees take stock of progress in implementing and come together to consider how the agreements can be further developed. Lao PDR is represented at each of these coordinating committees by the following bodies:

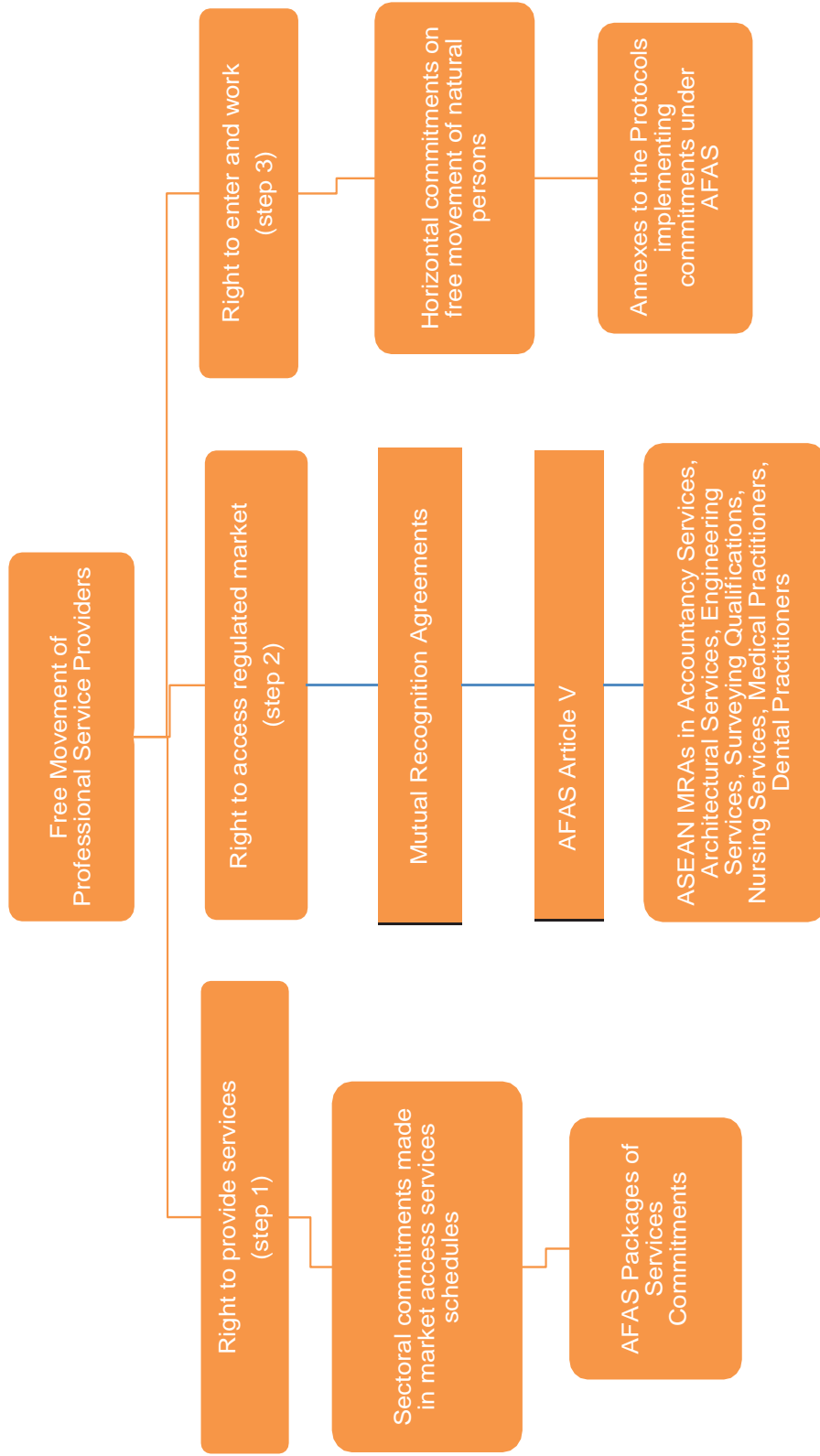
Table 1: MRA Co-ordinating Committees and Lao authorities

MRA Coordinating Committee	Designated Lao PDR PRA/Monitoring Committee
AAC (Architects)	Department of Housing and Urban Planning (MPWT)
ACPECC (Engineers)	National Council of Sciences (Deputy Director General, MPWT)
ACPACC (Accountants)	Ministry of Finance

AJCCD (Dentists)	Ministry of Health
AJCCM (Medical Practitioners)	Ministry of Health
AJCCN (Nursing)	Ministry of Health
Competent Authorities listed in annex 1 of MRA	1. National Geographic Department 2. Department of Housing and Urban Planning, Ministry of Public Works and Transportation



Figure 1: How MRAs fit into the trade in services framework



Source: Author

The potential benefits of implementing ASEAN MRAs

14. The primary goal of the MRAs, as part of the AEC's policy objectives, is to assist with the growth and diversification of the ASEAN economies. They will do this by encouraging expansion in the professional services sectors which are both sources of employment in themselves and which also contribute to growth in other sectors. For example, the availability of more skilled workers in sectors like engineering and surveying, should help to increase the local content and secondary impact of further development of Lao's natural resources economy. An increase in skills availability in these areas could also increase the speed of infrastructure development and help to make economic development more even across the country.
15. But there are also other development objectives to which the MRAs can contribute.

a) The development of the private sector labour market

16. Lao PDR needs to develop its formal employment sector and to improve the level of skills of individuals who are engaged in this sector. In 2005, for example, 93% of the labor force were self-employed or unpaid family workers; and of the remainder more than half were employed in the public sector⁵. Although the number working in the formal sector has grown over the past decade, and now stands at approximately 35%, the level of public sector employment in this number remains high. In part, this may perhaps be attributed to a preference amongst Lao job seekers for the relative security and status of government employment but the result has been a need for Lao PDR to operate a relatively liberal approach to the free movement of skilled workers, in order to support inward investment requirements in particular.
17. The implementation of the ASEAN professional services MRAs may help to overcome some of the issues created by these labour market conditions:
 - The introduction of the professional services MRAs overall should encourage the acquisition of skills amongst Lao nationals, thus meeting one of the government's established development objectives.
 - Over time, foreign investors will need to bring in less skilled labour which will make FDI in Lao more attractive and cost effective.
 - The MRAs should raise the profile and the status of professional services employment amongst schoolleavers choosing university courses, but, as this report notes in section 8, further actions may be needed in the short run, in order to ensure that new opportunities are generated to meet any new supply of skilled professionals.

b) The development of standards in the Lao service economy

18. The concept of standards of service, the ability of consumers to complain and obtain redress for poor or negligent service, are all important for any service economy but can only develop gradually over time. The introduction of new regulation in key service sectors should help to promote awareness amongst consumers and clients of their rights

⁵ Ministry of Planning and Investment. 2005. *Population and Housing Census, 2005*. Vientiane: Department of Statistics, Ministry of Planning and Investment.

and, provided that complaints mechanisms work effectively, provide a route to further improvements in the quality of service provision. In particular:

- The introduction of the regulation of professionals in the healthcare sector, where none currently exists, as a result of MRA conformity requirements, should help to raise standards of professionalism amongst medical practitioners, dentists and nurses, and contribute towards wider health goals. “The more developed countries in the region, especially Singapore and to a lesser extent Brunei, appear to have unambiguously benefited from skill augmentation through importing professionals. The gains are partly associated with complementary policies adopted by the government to ensure benefits flow from labour migration. These include an open and transparent regime for in-migration, the production of high quality domestic manpower so that nationals derive advantage from the presence (and competition with) foreign talents, and a growing economy (which has kept unemployment of professionals low, and contributed to rising wages)”⁶.
- The introduction of regulation and higher standards of qualification in the accounting sector will provide Lao businesses with access to improved accounting services beyond the basic bookkeeping which is more or less all that is currently available in the market. By exposing all Lao accountants to international standards, the MRA will also help to raise awareness amongst the nascent private sector of appropriate corporate governance standards.
- The creation of an architecture MRA and the growth of local skills in this sector, will not only help to ensure greater local input into the growing construction market, but also ensure that the skills are available to preserve and enhance Lao PDR’s tourism infrastructure.

c) The development of higher education reforms

19. The Lao higher education sector has been subject to a significant overhaul in recent years⁷. Whilst this has helped to create a basis on which the professional services MRAs might be successfully introduced, it also indicates where further reforms might be needed and how the MRAs might themselves contribute to this process.
20. At present, higher education in the Lao PDR comprises three public universities (the National University of Laos (NUOL), Souphanouvong University (SU) and Champassak University (CU)); as well as the University of Health Sciences (UHS) which is supervised by the Ministry of Health. Enrolment at these universities has increased rapidly in recent years and by around 30% in 2007-8 alone. However, the greatest growth in student enrolment has been in subjects like business studies whilst constraints exist on the expansion of vocational courses leading to professional qualifications because of shortages of qualified staff or equipment⁸. The Department of Higher Education is considering the introduction of student quotas in order to rebalance the type of graduates emerging from higher education. This illustrates that the job market for graduates could work more effectively and that effort could perhaps be put into measures such as the promotion of career opportunities arising from the study of courses leading to professional qualifications.

⁶ Movement of workers in ASEAN: Health Care and IT Sectors, REPSF Project No. 04/007, ASEAN/ANU

⁷ ADB. 2004. *Project Completion Report on the Postsecondary Education Rationalization Project (Loan No. 1374LAO[SF]) in the Lao People's Democratic Republic*. Manila.

⁸ See section 4 for more details.

21. Considerable work has been done by the Department of Higher Education, with the support of the ADB, to develop the university sector: Guidelines have been developed on curriculum standards and the Asia-Pac system for awarding credit has been adopted. Minimum standards of staffing have been set and efforts are underway to raise the number of university lecturers with higher degrees. In future, re-accreditation of university courses will take place every 4 years, which will be an important signal to other ASEAN member countries of Lao's ability to maintain any standards which it sets for domestic qualifications leading to eligibility under an MRA. The introduction of the MRAs should in turn help to reinforce the reforms currently underway in the Higher Education Sector, since they will supplement the educational motivation for reform with an additional trade based motivation.
22. The Department of Higher Education is planning the creation of a number of centres of excellence in Lao in fields like engineering and is considering the creation of an Institute of Science and Engineering. Such centres of excellence could help to give greater credibility to Lao professional qualifications and thus increase the mobility opportunities for Lao nationals within the region, and beyond.
23. A number of reports on the Lao higher education system have noted that many Lao university international partnerships are symbolic rather than practical⁹. However, this is not always the case, as the example of the cooperation between Chulalongkorn University in Thailand and the Faculty of Architecture at NUOL appears to illustrate. In this example, the Faculty of Architecture has been able to draw on its partner university's curriculum and benchmark the level of its students against those produced in a fellow ASEAN University. Given that the implementation of the MRAs would be assisted by greater cooperation between ASEAN universities and the evolution of more closely aligned curricula, there would be significant benefits to projects focused on departments providing courses which lead to MRA qualifications.
24. The MRAs could also help to contribute towards the achievement of another recommendation arising from previous higher education projects. This is the suggestion that there needs to be greater dialogue between universities and industry in order to ensure that the former are producing 'the product' demanded by the latter. The creation of the regulatory infrastructure needed to implement the MRAs will bring the universities into direct dialogue with those regulating the various professional sectors. This presents the opportunity to ensure that the professional associations, which are essentially industry representative bodies, are also connected into this dialogue. Finally, the introduction as a result of the MRAs, of continuous professional development (CPD) requirements, may well provide the Universities with opportunities both to provide commercial training to the private sector in the form of specialist CPD courses and to provide opportunities for students to meet with prospective employers.

⁹ Ref

III. The ASEAN Mutual Recognition Agreement (MRAs)

Sectoral coverage of ASEAN MRAs

25. ASEAN has concluded 7 MRAs to date:
- MRA on Engineering Services signed on 9 December 2005 in Kuala Lumpur, Malaysia;
 - MRA on Nursing Services signed on 8 December 2006 in Cebu, the Philippines;
 - MRA on Architectural Services and Framework Arrangement for the Mutual Recognition of Surveying Qualifications both signed on 19 November 2007 in Singapore.
 - MRA on Medical Practitioners, MRA on Dental Practitioners, and MRA Framework on Accountancy Services, all signed on 26 February 2009 in Cha-am, Thailand.
26. There are also other service sectors which have been discussed as possible candidates for future agreements, including logistics and tourism. However, there is a qualitative difference between the regulated professional services sectors for which MRAs have already been signed, and these possible new areas for MRAs. In most countries, professional services markets, are not only controlled by the need for individuals to fulfil qualifications criteria in order to access the market; but they also generally demand the on-going satisfaction of certain regulatory conditions. These conditions may include, for example: adherence to a code of conduct, disciplinary oversight by a regulator which can lead to a range of sanctions including withdrawal of licences, professional indemnity insurance and continuous professional development obligations. There are usually public policy justifications for controlling both entry to, and on-going practice within a profession such as public health and safety and information asymmetries between the professional and the consumer of their services. This differs from services markets such as tourism, which may benefit from some quality controls on entry requirements but which do not require the same level of ongoing regulation because the nature of service being delivered.
27. This report therefore focuses on the seven agreements already signed, although the action plan set out in section 8 suggests issues that it might be useful for Lao PDR to bear in mind as discussion on other potential MRAs gathers momentum.

What do the MRAs require?

28. The seven ASEAN MRAs agreed to date can be grouped into three broad categories:
- Group 1, which consists of architectural and engineering services. These professions are the most advanced in their use of mutual recognition¹⁰ and there are already individuals who have taken advantage of the agreements to move between ASEAN member countries. These agreements work on the basis that those holding the recognised ASEAN status in these professions will automatically be eligible to register and practice in all ASEAN Member States.
 - Group 2 consists of the three healthcare professions: Medical practice, dentistry and nursing. These agreements set out the eligibility requirements for professionals in these

¹⁰ See for example the international framework for mutual recognition in architectural services laid down by the International Union of Architects (www.uia.org) and the various International Engineering Alliance <http://www.ieagreements.org/washington-accord/>

sectors to move under the MRAs, however they also recognise that the qualifications in the different ASEAN Member States are not exactly equivalent and therefore provide scope for each Member State to impose additional requirements on migrant professionals who wish to access the host state market.

- Group 3 consists of surveying and accountancy services. These MRAs are evolving in two stages. The first stage merely sets out the commitment to free movement of professionals in principle. These commitments include the recognition that any professional in this category who is applying for recognition under an MRA must be registered with their home authority and will need to demonstrate that they fulfil the competencies required by the host state regulatory authority. The implication of this is that member countries can require ASEAN professionals to fulfil domestic requirements in full pending more detailed commitments. The second stage is the evolution of fuller agreements on recognition, similar to those agreed in other sectors. As at September 2014, the Surveying Qualifications MRA was still at the framework stage, however, the Accountancy Services MRA had evolved to include more detailed commitments on free movement of qualified professionals.

All of the MRAs have been signed by all ASEAN Member States and Lao PDR will therefore be expected to be in a position to fulfil the commitments it has signed up to. This above grouping of the MRAs into different categories will nevertheless help to determine the priority to be attached to each MRA.

29. It is also worth reiterating that the benefits of MRAs do not come merely from the mobility of individuals. All of the agreements also stress the objectives of exchanging information and promoting standards and best practice, and a number of the agreements go further in their ambition. For example, the medical practice, dentistry and nursing MRAs all flag the possibility that MRAs could provide opportunities for professional capacity building and training; and the architectural services agreement contains the objective of promoting collaborative research and the transfer of technology. For Lao PDR, the ability to realise these potential additional benefits will be enhanced by the creation of a national infrastructure for the regulation of each MRA profession.
30. The next part of this report will examine in more detail the requirements of each individual agreement and identify what each ASEAN Member State needs to do in order to implement them.

Group 1: The Infrastructure Professions

Architectural services

31. The ASEAN MRA on architectural services defines a common basic qualification for an architect (an “ASEAN Architect”) which then provides the basis for recognition in all ASEAN member states. Individuals holding the qualification of ASEAN Architect may then apply for recognition in another ASEAN Member State as a “Registered Foreign Architect” (RFA). The agreement defines:
 - The qualification of ASEAN Architect and the process by which any individual can be registered as such.
 - Registration requirements for, and the process by which any ASEAN Architect can be recognised as an RFA in another ASEAN state.

- The institutional responsibilities of the authorities responsible for registering and regulating RFAs, including obligations under the agreement in relation to information exchange, ongoing monitoring of RFAs' practice and disciplinary arrangements.
 - The institutional responsibilities of the authorities responsible for certifying that domestically qualified architects are eligible to be registered as ASEAN Architects.
 - The ongoing coordination mechanism at a regional level through the ASEAN Architects' Council.
32. The agreement draws heavily on the standards laid down by the International Union of Architects (hereafter referred to as "UIA"), although it stops short of requiring membership of the UIA as a prerequisite for participation in the MRA.
33. An analysis of its requirements can be broken down into the following components:
- a) Qualification requirements
 - b) National institutional infrastructure required to implement the agreement and the tasks and responsibilities of the national authorities involved in implementing the agreement.
 - c) The essential elements that any system must contain in order to comply with the ASEAN architects' MRA.

Looking at each of these in turn:

a) Qualification Requirements

34. The MRA states that in order to be registered as an ASEAN Architect, an individual must have:
- an accredited 5 year architectural degree that recognised by the professional architectural accreditation body of the ASEAN Architect's home country.
 - Been deemed eligible for 'independent practice'. In other words, have completed any postgraduate training periods and been admitted as a full architect rather than as a trainee.
 - a minimum of not less than ten years of continuous architectural practice after graduation, of which at least five years has been obtained after licensure/registration
 - Spent at least two years in responsible charge of "significant architectural work".
 - Maintained their Continuing Professional Development (CPD) at a satisfactory level.
35. In order for any ASEAN Member State to be able to register its nationals as ASEAN Architects and make them eligible to access the MRA, they must have in place:
- University level academic programmes that meet the necessary durational and content standards. Although the agreement defines the duration of architectural education required in order to become an ASEAN Architect, it does not go into detail on content. The best source for such content is probably the UIA-UNESCO Charter on Architectural Education (<http://www.unesco.org/most/uiachart.htm>) which elaborates the broad outline of any degree programme that is likely to gain international recognition.

- An independent accreditation process is needed which not only looks at the university course from the point of view of whether it reaches the required standard to be accredited as a degree, but also whether it meets the requirements of an architecture degree that will equip students for practice¹¹. Again, the UIA-UNESCO Charter offers some useful guidance on how to achieve such an independent accreditation process, including the involvement of exchange programmes and international benchmarking.
- A registration/licensing mechanism which records the length of time any individual has been in practice as an architect and is able to issue a “certificate of good standing¹²”.
- A definition of ‘significant architectural work’ in the national context, which will need to be based on Annex D of the Architectural Services MRA, and a process must also be in place for assessing whether the criteria for such work have been met.
- A CPD scheme in place and a mechanism for monitoring compliance with it.

b) National Institutional Infrastructure

36. The architecture MRA also outlines the infrastructure which Member States are expected to have in place in order to implement the agreement:

- There should be a “monitoring committee” which has the primary responsibility for ensuring the equivalence and eligibility of national architects seeking to work elsewhere in ASEAN under the MRA. This committee needs to:
 - Define criteria and procedures for verifying that candidates meet the necessary standards required of ASEAN Architects, which implies the need to:
 - Accredit university programmes.
 - Recognise post-graduate training, if this is required for graduate architects to become fully fledged professional architects in the national system.
 - Verify that individuals have obtained the necessary practical and specialist experience in order to register as ASEAN architects.
 - Maintain the national register of ASEAN Architects and confirm that they are up to date with various compliance requirements e.g. CPD.
 - Issue certificates of good standing to ASEAN architects.
 - Participate in and implement policies of the ASEAN Architects Council (AAC).
- There should also be a Professional Regulatory Authority (a “PRA”) which is responsible for:

¹¹ See the UIA accord on Recommended International Standards of Professionalism in Architectural Practice (<http://apaw.uia-architectes.org/ang/compartida/webuia/apaw/pdf/UIAAccordAng.pdf>)

¹² Certificates of Good Standing represent declarations by home regulatory authorities that any individual professional registered with them has met all of their educational and licensing obligations (e.g. is up to date with payment of licensing fees and continuous educational requirements) and has a clean disciplinary record.

- Registering ASEAN Architects from other countries as Registered Foreign Architects and enabling them to work either alone or in joint practice with local architects.
- Undertaking periodic checks with Registered Foreign Architect's country of origin to ensure that they remain in good standing at home – normally on renewal of registration.
- Monitoring practice and ensure ongoing compliance of Registered Foreign Architects with the code of conduct, reporting misconduct and undertaking disciplinary action such as suspension or deregistration. This also requires the monitoring of practice by unregistered foreign architects and notification to the AAC of any such cases.
- Maintaining high standards of professional and ethical practice in the domestic market.
- Providing information to other PRAs in ASEAN

c) Capabilities of the national system for regulation of architects

37. The above provisions imply that any national system must contain the following elements if it is to comply with the requirements of the MRA:
- National legislation governing the practice of the architects' profession needs to be laid down which draws on the scope and definitions of architectural practice used in the MRA and conforms to both AFAS and GATS requirements. Any provisions in domestic law which are contrary to the MRA (e.g. joint venture requirements not excluded from horizontal trade commitments, or nationality requirements) need to be eliminated.
 - There needs to be a domestic regulatory infrastructure in place which is able to carry out the registration, monitoring and disciplinary tasks allocated to the monitoring committee and the professional regulatory authority (PRA) by the MRA. The architects' MRA text is flexible on whether the monitoring committee and PRA are separate organisations or connected. The objectives, powers, tasks, governance of, and controls on, this regulatory infrastructure needs to be properly defined in legislation.
 - The PRA needs to put in place transparent systems and processes for regulation in order to retain the confidence of the ASEAN Architects Council. These systems need to include, for example, entry requirements which meet the need to demonstrate technical, professional and ethical standards, the promulgation of a code of conduct, a CPD system, a methodology for monitoring ongoing practice and imposing discipline in the event of a breach. Information about the regulatory system also needs to be transparent and accessible. This will ensure that Registered Foreign Architects are aware of their rights and responsibilities when practising locally.
 - The national educational system needs to meet acceptable international standards. National universities offering architectural courses need to be engaged in the MRA process, to ensure that domestic candidates for ASEAN Architect status meet the attainment levels expected regionally and there needs to be an independent mechanism for monitoring university level training.

- Ideally, in the spirit of the MRA, there should also be an active dialogue about the market for architectural services, the scope for raising standards and an encouragement to professional exchange. This suggests a role for a professional architectural association to exist alongside the more formal regulatory infrastructure.
38. Section III will assess how the current Lao PDR approach to regulating architectural services measures up against these essential requirements.

Engineering Services

39. The ASEAN MRA on engineering services operate in a very similar way to the architectural services agreement. It also defines a common basic qualification, in this case the ASEAN Chartered Professional Engineer (ACPE), and any individual holding this title can be entered on the national register of ASEAN Chartered Professional Engineers. This entitles those individuals, more or less automatically, to become a "Registered Foreign Professional Engineer" (RFPE) in any other ASEAN Member State.
40. As in the case of the architectural services MRA, the engineering MRA defines:
- The qualification and recognition process to become an ASEAN Chartered Professional Engineer.
 - Registration requirements for, and the process by which any ASEAN Chartered Professional Engineer can be recognised as an RFPE in another ASEAN state.
 - The institutional responsibilities of the authorities responsible for registering and regulating RFPEs, including obligations under the agreement in relation to information exchange, ongoing monitoring of foreign engineers' practice and disciplinary arrangements.
 - The institutional responsibilities of the authorities responsible for certifying that domestically qualified engineers are eligible to be registered as ASEAN Chartered Professional Engineers.
41. As in the case of the Architects' MRA, the engineering MRA can be divided into the following components:
- a) Qualification requirements
 - b) National institutional infrastructure required to implement the agreement
 - c) Essential elements that any national system must have in order to comply with the terms of the agreement.

Looking at each of these in turn:

a) Qualification Requirements

42. The Engineering MRA states that in order to be registered as an ASEAN Chartered Professional Engineer, an individual must have:
- An accredited engineering degree 'delivered and accredited in accordance with best practice guidelines'. These best practice guidelines are for each ASEAN Member State to elaborate.
 - Been assessed as eligible for 'independent practice'.

- A minimum of not less than seven years of continuous practice after graduation in relevant fields.
 - Spent at least two years in responsible charge of “significant engineering work”.
 - Maintained their Continuing Professional Development (CPD) at a satisfactory level.
 - Be in ‘good standing’ domestically – in other words have complied with national conduct obligations and not have a disciplinary record.
43. So in order for ASEAN Member State to be able to register their nationals as ASEAN Chartered Professional Engineers, they must have in place:
- University level academic programmes in engineering.
 - An independent accreditation process for accrediting such university courses according to best practice guidelines.
 - A post-University training scheme or equivalent in order to allow an assessment to be made of an individual’s ability to enter ‘independent practice’/
 - A registration/licensing mechanism which records the length of time any individual has been in practice as an engineer and is able to issue a “certificate of good standing”¹³.
 - An assessment process for ‘significant engineering work’ in the national context, which will need to be based on the appendices to the Engineering Services MRA.
 - A CPD scheme in place and a mechanism for monitoring compliance with it.

b) National Institutional Infrastructure

44. The engineering MRA outlines similar infrastructure to that required by the architectural services agreement, which Member States are expected to have in place in order to implement the agreement:
- A “monitoring committee” which has the primary responsibility for ensuring the equivalence and eligibility of national engineers seeking to work elsewhere in ASEAN under the MRA. This committee is responsible for:
 - Defining criteria and procedures for verifying that candidates meet the necessary standards required of ASEAN Chartered Professional Engineers, which implies the need to:
 - Accredit university programmes.
 - Recognise post-graduate training, if this is required for graduate engineers to become fully fledged professional engineers

¹³ Certificates of Good Standing represent declarations by home regulatory authorities that any individual professional registered with them has met all of their educational and licensing obligations (e.g. is up to date with payment of licensing fees and continuous educational requirements) and has a clean disciplinary record.

- Verify that individuals have obtained the necessary practical and specialist experience in order to register as ASEAN Chartered Professional Engineers.
 - Maintaining the national register of ASEAN Chartered Professional Engineers and confirming that they are up to date with various compliance requirements e.g. CPD.
 - Verifying that ASEAN Chartered Professional Engineers have signed a statement of compliance with applicable local codes of conduct.
 - Implementing the policies of the ASEAN Chartered Professional Engineer Coordinating Committee (ACPECC).
- There should also be a Professional Regulatory Authority (a “PRA”) which, in the case of engineering is responsible for:
- Registering ASEAN Chartered Professional Engineers from other ASEAN countries as Registered Foreign Professional Engineers and enabling them to work in joint practice with local engineers.
 - Monitoring practice and ensuring ongoing compliance of Registered Foreign Professional Engineers with local codes of conduct;
 - Maintaining high standards of professional and ethical practice in the domestic market.
 - Reporting misconduct of RFPEs to ACPECC and providing other information as required.

c) Essential elements that any national system must have in order to comply with the terms of the agreement.

45. Although there are slight variations from the Architectural MRA, the requirements in the ASEAN Engineering MRA imply a very similar set of requirements for any compliant national system:
- There needs to be national legislation governing the practice of the engineering profession, which sets out the scope and definition of engineering services nationally, whilst conforming to the MRA, AFAS and GATS requirements. The engineering MRA allows ASEAN countries to continue to require ASEAN Chartered Professional Engineers to work in joint ventures with local engineers and to be excluded from public sector contracts.
 - Domestic regulatory infrastructure needs to be put in place which is able to carry out the registration, monitoring and disciplinary tasks allocated by the MRA to the monitoring committee and the professional regulatory authority (PRA). The monitoring committee may be separate to the PRA or part of it. But regardless, the objectives, powers, tasks, governance of, and controls on, this regulatory infrastructure needs to be properly defined in a legislative form.
 - The PRA needs to have in place transparent systems and processes for regulation in order to retain the confidence of the ASEAN Chartered Professional Engineering Coordinating Committee. As for architects, these will need to include: Entry requirements which meet the need to demonstrate technical, professional and ethical standards, the promulgation of a code of conduct, a CPD system, a

methodology for monitoring ongoing practice and imposing discipline in the event of a breach. Information about the regulatory system also needs to be transparent and accessible in order to allow Registered Foreign Professional Engineers to exercise their rights under the MRA.

- The national educational system needs to meet acceptable standards. Although engineering courses are likely to vary in their content much more than architecture courses, universities offering engineering degrees need to be aware of the need to meet acceptable international standards as well as of the demands of the market.
- Ideally, in the spirit of the MRA, there should also be an active professional body for engineering services, which promotes training, helps to raise standards, provides information on job opportunities and encourages professionals to come together to form larger companies.

Group 2: Healthcare

46. The ASEAN healthcare MRAs take a different approach to those for architecture and engineering; and because of the cultural sensitivities around healthcare do not allow for automatic recognition by defining a common ASEAN qualification, as in the case of architects and engineers. Instead they give Member States the option of requiring that eligible health professionals from other ASEAN countries fulfil additional national requirements on top of their recognised qualifications. These can include competency assessments, induction programmes or even medical examinations. Each of the healthcare MRAs therefore defines eligibility in the form of a 'foreign' (i.e. ASEAN national) practitioner; and goes on to describe how such foreign practitioners can be assimilated into practice in the host country. Once registered a foreign medical practitioner can practice in the same way as a domestic practitioner.

Medical Practice

47. The MRA for medical practitioners, for example, identifies what a 'foreign medical practitioner' is and sets out the responsibilities of the Professional Medical Regulatory Authority (PMRA) in regulating these professionals.
48. A foreign medical practitioner must fulfil the following requirements:
- Have a recognised medical qualification, which is recognised in both the home and host countries;
 - Have a valid professional licence from their home state
 - Have five years of practising experience
 - Be compliant with home country CPD requirements
 - Be in good standing
 - Fulfil any other requirements of the host country
 - Give undertakings that they will comply with the host country's laws, regulations and code of conduct etc.
49. The PMRA is in turn responsible for:
- Evaluating the qualifications of foreign medical practitioners against domestic requirements, including 'specialist' qualifications;

- Imposing additional compensatory measures on foreign medical practitioners and granting of recognition to them;
 - Monitoring compliance of foreign practitioners against domestic codes of conduct, CPD, insurance and other requirements;
 - Taking disciplinary action against foreign medical practitioners who breach local rules;
 - Participating in the ASEAN Joint Coordinating Committee on Medical Practice.
50. The MRA focuses in particular on what regulatory authorities need to do in order to facilitate inbound practice. However, it is also possible that home country medical practitioners will wish to take advantage of the MRA and so the PMRA will also need to be able to facilitate their mobility within the region.
51. In order to meet requirements for both inbound and outbound mobility for medical practitioners, any ASEAN country will therefore need to have in place the following:
- A national legislative framework which defines medical practice and requires individuals to hold licenses to provide defined medical services.
 - A regulatory infrastructure which delegates powers to a PMRA to issue licences to qualified individuals, set and monitor standards, impose disciplinary sanctions etc.
 - An independently accredited national professional medical practice qualification which ideally meets internationally recognised standards.
 - A PMRA which has in place the necessary mechanisms required by the MRA, i.e.
 - A domestic licensing system
 - A code of conduct, monitoring mechanisms and disciplinary procedures
 - A CPD scheme and insurance system (optional)
 - The ability to issue certificates of good standing
 - The ability to assess foreign medical qualifications and impose additional measures required, as necessary.

Dentistry

52. The Dentistry MRA is more or less identical to the MRA for medical practitioners. It defines both what a “foreign dental practitioner” is, and the role and responsibilities of a “Professional Dental Regulatory Authority” (PDRA).
53. In order to be eligible under the MRA, a foreign dental practitioner must fulfil the following requirements:
- Have a dentistry qualification, which is recognised in both the home and host countries;
 - Have a valid professional licence from their home state
 - Have five years of active practising experience
 - Be compliant with home country CPD requirements
 - Be in good standing with their home authorities
 - Fulfil any other requirements of the host country
 - Give undertakings that they will comply with the host country’s laws, regulations and code of conduct etc.
54. The PDRA is responsible for:
- Evaluating the qualifications of foreign dental practitioners against domestic requirements, including ‘specialist’ qualifications;

- Imposing additional compensatory measures on foreign dental practitioners and granting of recognition to them;
 - Monitoring compliance of foreign dental practitioners against domestic codes of conduct. CPD, insurance and other requirements;
 - Taking disciplinary action against foreign dental practitioners who breach local rules;
 - Participating in the ASEAN Joint Coordinating Committee on Dental Practice.
55. As with medical practitioners, in order to meet mobility requirements for both inbound and outbound dental practitioners, any ASEAN country will need to have in place the following:
- A national legislative framework which defines dental practice and requires individuals to hold licenses to provide defined dental services.
 - A regulatory infrastructure which delegates powers to a PDRA to issue licences to qualified individuals, set and monitor standards, impose disciplinary sanctions etc.
 - An independently accredited national professional dental practice qualification which meets internationally recognised standards.
 - A PDRA which has in place the necessary mechanisms required by the MRA, i.e:
 - A domestic licensing system
 - A code of conduct, monitoring mechanisms and disciplinary procedures
 - A CPD scheme and insurance system (optional)
 - The ability to issue certificates of good standing
 - The ability to assess foreign dental qualifications and impose additional measures required, as necessary.

Nursing

56. The nursing MRA is slightly different to that for medical practitioners and dentists. In essence it sets out the minimum level of qualifications that any nurse must have in order to be able to take advantage of the MRA and move to another ASEAN country; it sets down the obligations of a “foreign nurse” in a host ASEAN country. The key elements of this from the perspective of countries participating in the MRA are qualifications and regulatory infrastructure:

Qualifications

57. In order to be eligible under the MRA, a nurse must be a ‘professional’ nurse, as opposed to a nurse with technical qualifications which means that they must have completed a prescribed course at a recognised University or training institution and be registered. In addition they must:
- Have a valid practising certificate or licence from their home regulatory authority;
 - Have a minimum practical experience of three years;
 - Be in compliance with CPD requirements;
 - Be in good standing;
58. In order to be recognised as a ‘foreign nurse’ in another ASEAN country, individuals may need to fulfil additional national requirements. On registering they will need to comply with the local code of conduct in their host jurisdiction, as well as any applicable laws and regulations and they will need to participate in any host country indemnity insurance scheme.

Regulatory Infrastructure

59. This MRA scheme implies that any regulatory authority for nursing in an ASEAN country must:
- Be able to evaluate and benchmark foreign nursing qualifications against its home requirements and have transparent mechanisms for imposing ‘top-up’ measures beyond the ASEAN minimum.
 - Be able to regulate ongoing foreign nursing practice and monitor compliance of foreign nurses with CPD and other requirements. This suggests that such systems are in place for domestic nurses.
 - Have a code of conduct in place for nurses and be able to provide access to all of the other applicable laws and regulations to which nurses are subject.
 - Be in a position to participate in the ASEAN Joint Coordinating Committee on Nursing.

Essential elements

60. The nursing MRA therefore implies that any ASEAN Member State must have the following in place, if it is to participate fully in the agreement:
- A legislative framework which sets out nursing qualification requirements for different technical and professional levels; and which delegates powers to the regulatory infrastructure which will be responsible for assessing training and education requirements and monitoring ongoing practice;
 - A domestic professional nursing qualification which benchmarks against international norms;
 - A regulatory infrastructure which is able to set appropriate domestic standards and monitor compliance with them;
 - A mechanism for evaluating foreign nursing qualifications against domestic requirements and monitoring foreign nurses on an ongoing basis

Group 3: Accountancy Services and Surveying qualifications

61. Finally, the last group of ASEAN MRAs contains the unrelated professions of accountancy services and surveying. These are grouped together here, because they have been at the same stage of evolution in an ASEAN context until relatively recently. However, the 46th ASEAN Economic Ministers’ (AEM) meeting in Nay Pyi Taw Myanmar, 25-28 August 2014, endorsed the text of a new MRA on accountancy services which brings it closer to the structure that has been adopted in the infrastructure professions. The previous accountancy agreement, like the agreement on surveying qualifications, had only offered a framework or limited first step towards mutual recognition.

Accountancy Services

62. The new ASEAN MRA on accountancy services will operate in a similar way to the infrastructure profession MRAs: It defines a common ASEAN qualification, the ASEAN Chartered Professional Accountant (ACPA), and any individual holding this title can be entered on the register of ASEAN Chartered Professional Accountants. This entitles those individuals, more or less automatically, to become “Registered Foreign Professional Accountants” (RFPA) in any other ASEAN Member State.
63. The accountancy services MRA defines:
- The qualification and recognition process to become an ASEAN Chartered Professional Accountant.

- Registration requirements for, and the process by which any ASEAN Chartered Professional Accountant can be recognised as an RFPA in another ASEAN state.
- The institutional responsibilities of the authorities responsible for registering and regulating RFPAs, including obligations under the agreement in relation to information exchange, ongoing monitoring of foreign accountants' practice and disciplinary arrangements.
- The institutional responsibilities of the authorities responsible for certifying that domestically qualified accountants are eligible to be registered as ASEAN Chartered Professional Accountants.

64. As in other cases, the accountancy services MRA contains the following:

- a) Qualification requirements
- b) National institutional infrastructure required to implement the agreement
- c) Essential elements that any national system must have in order to comply with the terms of the agreement.

Looking at each of these in turn:

a) *Qualification Requirements*

65. The Accountancy Services MRA states that in order to be registered as an ASEAN Chartered Professional Accountant, an individual must have:

- Successfully completed an accredited accountancy degree or professional accountancy examination programme recognised by the National Accountancy Body (NAB) or PRA, or an equivalent qualification programme.
- A professional registration or licence issued by their country of origin.
- A minimum of three years of professional experience obtained within five years of obtaining the required accountancy qualification.
- Fulfilled any Continuing Professional Development (CPD) requirements in the country of origin.
- Be in 'good standing' domestically – in other words have complied with national conduct obligations and not have a disciplinary record.

66. So in order for ASEAN Member State to be able to register their nationals as ASEAN Chartered Professional Accountants, they must have in place:

- University level academic programmes or professional equivalent qualifications in accountancy.
- An independent accreditation process for recognising such courses.
- A registration/licensing mechanism to enable any individual to document their professional accountancy experience.
- A CPD scheme in place and a mechanism for monitoring compliance with it.
- A procedure for issuing certificates of good standing.

b) National Institutional Infrastructure

67. The accountancy services MRA outlines similar infrastructure to that required by the other MRAs. Member States are expected to have the following in place in order to implement the agreement:

- A “monitoring committee” which has the primary responsibility for ensuring the equivalence and eligibility of nationally qualified accountants seeking to work elsewhere in ASEAN under the MRA. This committee is responsible for:
 - Ensuring that professional accountants registered as ASEAN Chartered Professional Accountants meet the required standards. This implies the need to:
 - Accredit university programmes or ensure suitable professional equivalent qualifications.
 - Verify the required post-University experience.
 - Maintaining the national register of ASEAN Chartered Professional Accountants and require periodic licence renewal.
 - Confirming that any nationally registered ACPAs are up to date with their CPD requirements.
 - Deregistering accountants not in compliance or who are subject to disciplinary action.
 - Implementing the policies of the ASEAN Chartered Professional Accountancy Coordinating Committee (ACPACC).
- There should also be a Professional Regulatory Authority (a “PRA”) or National Accountancy Body (“NAB”) which, in the case of accountancy services is responsible for:
 - Registering ASEAN Chartered Professional Accountants from other ASEAN countries as Registered Foreign Professional Accountants.
 - Monitoring practice of Registered Foreign Professional Accountants;
 - Maintaining high standards of professional and ethical practice in the domestic market.
 - Reporting misconduct of RFPAs to ACPACC and providing other information as required.

c) Essential elements that any national system must have in order to comply with the terms of the agreement.

68. Although there are slight variations from the infrastructure MRAs, the requirements in the ASEAN Accountancy Services MRA imply a very similar set of requirements for any compliant national system:

- There needs to be national legislation governing the practice of the accountancy profession, which sets out the scope and definition of accounting services nationally, including what areas of practice, such as audit, require full domestic admission. The

Accountancy MRA allows ASEAN countries to continue to require ASEAN Chartered Professional Accountants to work in 'collaboration' with local professional accountants, subject to domestic regulation (Article 4.3.1(c)).

- Domestic regulatory infrastructure needs to be put in place which is able to carry out the registration, monitoring and disciplinary tasks allocated by the MRA to the monitoring committee and the professional regulatory authority (PRA). The monitoring committee may be separate to the PRA or part of it. But regardless, the objectives, powers, tasks, governance of, and controls on, this regulatory infrastructure needs to be properly defined in a legislative form. The accountancy MRA also identifies that National Accountancy Bodies (NABs) might perform the role allocated to the PRA, or play a part in regulation alongside the PRA.
- The PRA needs to have in place transparent systems and processes for regulation in order to retain the confidence of the ASEAN Chartered Professional Accountancy Coordinating Committee, not least since the ability of any national monitoring committee to recognise ASEAN Chartered Professional Accountants is a task delegated by ACPACC. This implies the need for the following policies and systems to be in place: Entry requirements which meet the need to demonstrate technical, professional and ethical standards, the promulgation of a code of conduct, a CPD system, a methodology for monitoring ongoing practice and imposing discipline in the event of a breach. Information about the regulatory system also needs to be transparent and accessible in order to allow Registered Foreign Professional Accountants to exercise their rights under the MRA.
- The national accountancy qualifications need to meet acceptable standards. These can either be accountancy degrees which have been accredited by the national qualifications agency or an accredited programme of study or examination which has been approved by the national Monitoring Committee and endorsed by ACPACC.

Surveying Qualifications

69. The ASEAN MRA covering surveyors is quite different to the other MRAs. It is concerned primarily with defining the qualification of surveyor and how this might be recognised, in order to pave the way for a more expansive MRA to be negotiated in future.
70. The MRA begins by defining a 'surveyor'. This is an individual who has been deemed competent to provide surveying services in their home ASEAN country. Such an individual must:
 - Hold a degree in a relevant discipline from an accredited University or similar institution;
 - Have two years of post-graduate experience;
 - Be registered and licensed in their home country;
71. In order to gain recognition of their surveying qualifications in another ASEAN country, a surveyor:
 - May need to submit to additional assessments in the host country, in recognition of the fact that the scope of surveying services is defined differently in the different Member States;
 - Fulfil additional post-graduate requirements where these vary in the host country.

The implication is that a surveyor from another ASEAN country will be fully assimilated into the local profession by virtue of the recognition of their qualifications together with completion of whatever additional local requirements are deemed necessary.

72. This system of recognition requires any ASEAN country participating in the agreement to have in place the following:
- A legislative framework which defines surveying services and how they are to be regulated;
 - A definition of national competence requirements for any locally qualified surveyor, which covers education and practical training and draws on international benchmarks¹⁴;
 - A registration/licensing authority with clear procedures for assessing foreign qualifications against national requirements. This PRA should ideally also have monitoring and disciplinary arrangements in place, a code of conduct and CPD arrangements.

Conclusions

73. The ASEAN MRAs in professional services vary in the extent to which they offer automatic mutual recognition, they do however all contain similar expectations that practice as a professional, requires more than just a university level qualification and that systems of licensing and monitoring exist on an ongoing basis.

IV. The MRA professions in Lao PDR

74. Lao PDR is committed to participating fully in the ASEAN MRAs outlined in the previous section, and in order to consider what needs to be done in order to make this happen, it is first necessary to take stock of the current state of play in the development of the regulation of these professions in Laos. In each case we will consider the legislative and regulatory framework, the existence of qualification and licensing requirements, as well as how national professional education benchmarks against wider regional and international standards.

Group 1: The Infrastructure Professions

(a) Regulatory infrastructure

75. The regulation of both the architecture and engineering professions falls under the mandate of the Ministry of Public Works and Transport (MPWT). In recent years the Ministry has introduced a system of registration for new graduates in architecture (but not engineering). This system however, offers no mechanism for monitoring once an individual has joined the profession and in turn means that Lao architects are currently unable to qualify to become ASEAN Architects, since they cannot yet evidence experience requirements nor obtain certificates of good standing.
76. In order to bring the system into conformity with the requirements of the MRA, the MPWT is currently drawing up a revised draft Law on Urban Planning which contains a high level definition of the activities reserved to architects and engineers. This law has been developed in a workshop with members of the National Assembly and is expected to be passed by the Assembly in June. Following the enactment of the legislation, a Prime Ministerial decree will

¹⁴ See International Federation of Surveyors (FIG)

be needed in order to implement it and then regulations will need to be put in place. The Ministry is aware that the preparation of such regulations will take time and expertise and is proposing to establish a department of legal affairs to support this work. The agreement of the Ministry of Home Affairs is needed in order to set up the new department.

77. The draft law on Urban Planning will require all legal entities, whether local or foreign, undertaking urban planning activities to do so using 'experienced' architects and engineers (Article 60). It also prohibits individuals from being involved in urban planning without a permit (Article 65). This provides the overarching framework which will then allow for the regulation of professionals. The draft law delegates the task of further defining the regulation of the architecture and engineering professions to the Minister.
78. Although regulations have not yet been drawn up, the MPWT has begun to design how the regulatory set up will work. Initial plans are to establish a single Board of Architects and Engineers which will act as the regulatory authority for both professions. The intention is that the Board will be independent but come under the supervisory ambit of the MPWT. It is likely that it would be chaired by the Ministry and contain representatives from the architecture and engineering associations and from academia. It is likely to consist of around 7 people in total. The MPWT is aware that it will need to create a secretariat which will in turn need to design the systems and policies to implement the regulation of the profession in practice. The Ministry's initial thinking is that it might use the professional association for architects and engineers (ALACE) in order to monitor the practice of foreign professionals. Despite the early stages of planning how a PRA might be introduced for architecture and engineering, the Ministry also reported that a draft code of conduct for both professions had already been submitted to the ASEAN coordinating committees.
79. The MPWT is seeking the active involvement of the Association of Lao Architects and Civil Engineers (ALACE) in its plans to establish a PRA. However, these discussions are still at a relatively early stage. ALACE is a professional organisation which was established in 2005 and which currently has around 1000 members, made up of 40% architects and 60% engineers. It does not at present have any formal functions but acts as a membership association, mostly providing information and networking services to its members. The organisation relies on fees from its members and revenue generated by events such as an annual conference, but this does not give it sufficient income to maintain a permanent secretariat. Any tasks that are allocated to ALACE under the new Law on Urban Planning will therefore need to be accompanied by capacity building of this organisation and the allocation of some funding to support its development.
80. The MPWT has also given some thought to how the new regulatory structure will fulfil the responsibilities of the ASEAN MRAs. Although both professions will share the same PRA, they will have separate monitoring committees. As outlined in the previous section, the function of the monitoring committees is to register those holding the title of ASEAN Architect and ASEAN Chartered Professional Engineer. Given the interest of a number of government ministries in the activities of engineers, the Lao PDR monitoring committee for ASEAN Chartered Professional Engineers will have a wider membership than the monitoring committee for ASEAN architects. A committee has been set up within the MPWT and it has already set down criteria for Lao qualified architects to qualify as ASEAN Architects. This statement has been approved by the ASEAN Architects Council (AAC). Work on a statement on the requirements for Lao engineers to achieve ASEAN Chartered Professional Engineer status will be undertaken once the new Legal Affairs Department has been established.

(b) Qualification Requirements***Architectural Services***

81. Lao nationals wishing to become professional architects have a choice of studying at the National University of Laos (NUOL) or Souphanouvong University. The course at NUOL is 5 years and at Souphanouvong it is 4 years. The Faculty of Architecture at NUOL registers around 80 students to study its Bachelor degree course in Architecture and has around 800 students studying different courses in the faculty overall. This course is based closely on the curriculum offered by Chulalongkorn University in Thailand, and around 60% of the course is common to that offered in Thailand, with 40% relating to local Lao architecture. The main challenges for the Faculty of Architecture lie in the number and level of qualifications of the teaching staff. There are 37 staff in the Faculty overall, only three of whom hold PhDs and the student staff ratio at around 21 students per member of staff, is high¹⁵. A further challenge is the need to develop the ability to teach specialist areas, relating, for example, to the design of fire sprinkler systems and lifts, which are becoming increasingly important in procurement exercises for foreign funded architectural projects.
82. The Faculty of Architecture carried out a survey of its graduates in 2008 and discovered that most had set up small private architectural companies, and a smaller cohort had been employed in central and provincial government. This study also suggested that the overwhelming majority were supplying small scale architectural services to consumers. There was, at that time, around 10% of graduates who were engaged in larger scale projects, often funded by international donors.

Engineering Services

83. Lao nationals wishing to embark on a career in engineering can do so by obtaining a 4 year Bachelor's degree from either the National University of Laos (NUOL) or from Souphanouvong University in Luang Prabang.
84. The Faculty of Engineering is the largest faculty of NUOL with 8 engineering departments teaching different branches of engineering. There are around 4,800 student studying in the faculty overall and around 1,300 new undergraduate students are admitted each year. The programme of study is 4 years and enables student to graduate in 16 different specialist disciplines. The faculty has also been offering postgraduate Masters programmes in infrastructure engineering, environmental engineering, electrical engineering, Information technology and electronic and telecommunications engineering; all of which have been established with the collaboration of international partner institutions. The engineering faculty also maintains active collaborations with industry, with the assistance of JICA. This includes the maintenance of working groups in mining and hydropower which brings representatives from industry to the University, but in addition, the faculty also sends students out to industry to undertake internships. Souphanouvong University of Luang Prabang offers courses in electrical, civil and computer engineering.
85. As a result of its international collaboration, the curricula for the Bachelor's programmes in electrical, mechanical and chemical engineering at NUL have all been benchmarked against the European credit transfer system for university education¹⁶. Despite this international

¹⁵ Student-Staff ratios are not easy to obtain for comparator universities and vary by type of course. A mean average of 17.2 was quoted in the Independent Complete University Guide for the UK. In the US the average for 1,311 Universities was 14.8 (see http://www.huffingtonpost.com/2011/04/28/liberal-arts-colleges-wit_n_854948.html)

¹⁶ Under the ECTS, each course is allotted a certain number of credits based on the workload involved for the student as a proportion of the total workload required to successfully complete one year of studies. Included in this total are all activities which contribute to the students' academic success, e.g.,

- student exchanges within ASEAN are hampered by lack of a common credit transfer system and different timings of the academic year in the different member countries.
86. In terms of quality standards, the Faculty of Engineering was one of the first University departments to be assessed by the Ministry of Education's Committee on Quality Assessment in which it scored 67%, easily surpassing the 50% pass mark. However the number of teaching staff lags behind international standards and stands at 1 member of staff for every 20 students, below the European average, for example, of 1 staff member for every 15 students. The Faculty of Engineering would like to be able to get more staff with specialist experience from abroad but faces quotas imposed by the Ministry of Home Affairs on overseas personnel. It also has around 30 Master's graduates and 2 PHD students who are waiting to be allowed to become lecturers but who are prevented from doing so by Ministry of Education quotas on university staff.
 87. Although the Faculty has not recently surveyed its graduates, the anecdotal evidence was that there was no difficulty for engineering graduates to find work. More than 50% tend to end up working in government and the expectation is that government work for engineering graduates will only increase in future as provincial level responsibilities for water, mining and transport increased.
 88. In future, the faculty would like to break away from the National University, as the Medical Sciences Department had done in the past, and establish itself as a separate Institute of Engineering. This would enable it to retain more of its income from student fees, around 20% of which was currently paid to the University for the supply of central services. The Faculty hope that such a move would enable it to invest in much needed equipment to further develop courses in environmental and chemical engineering and position itself as an ASEAN centre of excellence.

Group 2: The Healthcare Professions

89. In 1975 there were only nine students enrolled at the Faculty of Medicine at the University of Laos and although the number rose to around 350 by 2010-12, it has fallen back to 150 in 2014 due to limited teaching capacity. This supply of medical practitioners is not considered sufficient to meet the country's healthcare needs: The 2011 National Health Statistic Report showed a ratio of 2.4 doctors and 7.5 nurses per 10,000 members of the Lao PDR population¹⁷. Repeated government five year plans for Healthcare have highlighted the need to develop additional human resource capacity in this area and various ODA projects in the health sector have targeted skill shortages as a major constraint on the achievement of Lao PDR's development objectives.¹⁸
90. Student numbers in the various healthcare professions are constrained principally by limited teaching capacity; but there are also limits to the level of medical and dentistry education that graduates can attain through study in Laos given the qualifications of teaching staff. Among the 50 medical lecturers at the University of Medical Sciences for example, only 2 have PHDs and 20 have Masters' level qualifications. As a result, the training facilities do not exist to produce specialist practitioners and only minor medical or dental surgical procedures can be carried out in Lao PDR. There are, however, plans to build a new medical school and the University has begun to raise funds to do so by selling some land. It is,

lectures, seminars, practical work, private study at home or in a library, work placements. In the ECTS framework 60 credits are awarded for one year's work (equivalent to approximately 1500 - 1800 hours) One credit therefore corresponds to 25 - 30 hours of work.

¹⁷ Health Service Delivery Profile – Lao PDR 2012, WHO and Ministry of Health Lao PDR

¹⁸ See for example, LAO/017 Lao-Luxembourg Health Initiatives Support Programme

however, likely to need further assistance to realise this project and to attract in, or train up, more highly qualified teaching staff.

91. Surprisingly, despite the limited number of medical graduates, there are reports of unemployment and high levels of attrition from the profession. A recent survey carried out by the University of Medical Sciences on graduates revealed that only 50% had remained medical practitioners. In part this was due to quotas on public sector employment which were very limited for medicine. Annual recruitment by government had often recently been only around 100 posts compared to 200-300 students graduating as medical assistants. The decentralisation process was also felt to have hit retention as graduates were often unwilling to take up posts in remote areas.
92. Set alongside the public sector constraints, there appears to be an expansion in private clinics, but, according to the University of Medical Sciences, these are mainly staffed by doctors who have retired from the public system and by nurses working part-time to supplement their public sector work. The possibility of utilising the private sector to train and retain medical graduates in the system is one that is worth considering. According to the Ministry of Health, in 2010 there were 222 private clinics in operation and a further 647 awaiting approval. The regulatory requirements governing foreign clinics could however be made clearer. If ASEAN medical clinics are permitted to operate, Lao medical, dental and nursing assistants could be given the opportunity to gain wider and potentially more specialised experience than is available from the public sector alone at present. This could help to improve retention rates within the medical profession in particular.

(a) Legislative and Regulatory Infrastructure

93. The Law on Healthcare of 9 November 2005 sets up the Medical Profession Council (MPC) under the auspices of the Ministry of Health in order to “administer the activities of healthcare professionals”. The MPC is responsible for regulating all of the professions dealing with patients including: Doctors, dentists, nurses, midwives and physiotherapists laboratory and x-ray technicians, optometrists, speech therapists, psychologists and dieticians. No distinction is made in the law regarding the qualification requirements for these professions except in experience requirements prior to registration. Physicians and dentists must have at least five years' professional experience of health care in public or private hospitals; and assistant physicians, assistant dentists, nurses, midwives, physiotherapists and other medical technicians need at least three years' experience in public or private hospitals prior to registration.
94. The only other legal requirements for healthcare practitioners are set out in Article 8 of the Law:
 - Completion of at least middle level medical professional education with a diploma from a medical educational institution in the Lao PDR or in a foreign country recognised by the Ministry of Education and the Ministry of Health of the Lao PDR;
 - Have a good attitude;
 - Be in good physical and mental health and possess a certificate of no communicable diseases from the relevant organisation;
 - Have never been disciplined, professionally punished or punished for any offence;
 - Have Lao nationality and reside in the Lao PDR, except if otherwise provided by a separate decision.
 - Have obtained authorisation from the Ministry of Health to practise, after verification and proposal from the Medical Profession Council;

The law also states that rights and duties of the MPC will be determined in regulations.

95. Following a decree implementing these regulations, the MPC has been established as a twelve person body which is chaired by the Vice-Minister of Health with the Deputy Director General of the MoH acting as secretary. Other members are drawn from the cadre of retired doctors. The role of the MPC is to register healthcare practitioners, licence those who are deemed appropriate to practice, monitor behaviour and, if required, take disciplinary action against individuals.
96. According to the secretariat to the MPC, the rollout of the system of regulation of healthcare professionals foreseen in the 2005 Act and regulations has been slow, due mainly to the need to carry out some reorganisation at the Ministry of Health in order to set up the Council. It has not been assisted by the fact that the MoH unit responsible for the providing the secretariat for the MPC retains extensive responsibilities elsewhere, including for infection control and overall nursing policy.
97. The MPC carried out its first licensing exercise in 2012 and did so by granting licences to those already in practice. This resulted in the registration of 1043 healthcare professionals in total. A further round of licensing is planned for 2015 and for the first time will require candidates to submit to a written test. The secretariat was, however, not clear on what might happen to those candidates who did not pass the test and acknowledged that licensed and unlicensed professionals would be likely to be working alongside each other for some time to come. Looking further ahead, there are plans to introduce a national examination for all new graduates, possibly from 2015, although plans for this are still sketchy. The MPC secretariat felt that one major issue was a lack of awareness amongst health professionals themselves of the need to register, illustrated by the fact that the healthcare register only contained 62 nurses for the whole country. The MoH knows however that there are over 6,000 nurses in Lao PDR, of whom around 200 are trained to Bachelor degree level and a further 30 to Master's degree level.
98. The MPC believes that to a large extent this shortfall in registration arises from a common misunderstanding that only those working in the private sector need to register. This reflects the unregulated way in which healthcare workers have traditionally operated. In the past, the only approval required was an initial 'work permit' from the Ministry, following graduation and completion of a training period. One way to overcome the lack of awareness of new regulatory requirements in future would be to reach individual healthcare workers through their employers, whether public or private sector. However, although it would like to do so, the MPC has not yet been able to monitor the employment or other activities of hospitals and medical facilities on a systematic basis; due largely to a shortage of resources.
99. The MPC also expressed its wish to conduct a licensing renewal exercise every three years but has yet to decide on the criteria for renewal and has not yet introduced a continuous professional development scheme, which might assist in this process. The ethical framework for healthcare practice is contained in the 2005 Act but this is very basic in content and is not used as a tool for monitoring practice. The MPC had also not yet withdrawn or suspended any individual licences under the current system.
100. Overall, the view of the secretariat to the MPC was that whilst the Council had plenty of ideas for how it would like to develop the regulation of healthcare professionals it was hindered in doing so, by the outdated 2005 legislative framework and by lack of resource and experience in implementing a regulatory system. The preference of the MPC secretariat was to have separate legislation to govern the entry and practice requirements of each profession and a separate board for the oversight of each profession. New legislation is being drafted within the Ministry but is unlikely to be ready before implementation of the MRA is required. The MPC Secretariat is therefore proposing to draw up regulations under the existing Healthcare Professions Act.

(b) Qualification Requirements

101. This move to separate regulation for each healthcare profession also reflects the fact that as these professions develop in Lao PDR, their underlying qualification requirements are diverging from the basic demands of the 2005 Healthcare Professions Act.

Medical Practitioners

102. Medical Practitioners in Lao PDR must currently complete a seven year degree, followed by five years of practical experience as a medical assistant. After this they may be registered as fully qualified medical practitioners. The University of Health Sciences (UHS), which offers the only medical school in Lao PDR, acknowledged that its curriculum is somewhat behind others in ASEAN and it would be difficult for Lao qualified medical practitioners to obtain recognition in other ASEAN countries on the basis of the current qualification. The MPC is proposing some changes to medical qualifications, including a requirement that all doctors undertake a hospital residency as part of their compulsory training before either undertaking further study to become specialist consultants or entering general practice.

Dental Practitioners

103. Dental practitioners in Lao PDR must complete a six year degree and must work as dental assistants in a dental clinic for five years before they can be fully registered. Academic training is again only available at the University of Health Sciences. As in the case of medical practice, the quality of instruction is limited by shortages of well-trained teaching staff, as well as the cost of equipment for use in training. The possibility that Lao trained dental practitioners might have their qualifications recognised by other ASEAN countries in the near future were also regarded as unlikely by the faculty staff of the UHS, on the basis of the current levels of training and curriculum studied.

Nursing

104. Unlike medical and dental practice, there has been significant progress in recent years in raising the standards of qualifications for nursing. In the past, a nursing qualification consisted of basic secondary school education followed by an examination. Today, professional nurses require a four year bachelor's degree or a three year technical qualification for a practical nurse. According to the MoH, there are 200 nurses in Lao PDR who hold bachelors' degrees and 30 with Masters' level qualifications.
105. This is the result of the significant recent work that has been done to develop nursing competences and revise the university curriculum. The Japanese International Cooperation Agency (JICA) has in particular been assisting the Ministry of Health with a project to implement modern teaching techniques. This project is due to end in 2015, but the MPC Secretariat would like to see it extended, not least because of the speed and pace of change in nursing practice due to the advance of technology.

Group 3: The MRA framework professions***Accountancy Services*****(a) Legislative and Regulatory Requirements**

106. Historically there has been no system of oversight of auditors or accountants practising in Lao PDR. This reflects the fact that the training on offer from local educational institutions is not yet at the level required of a full CPA qualification, which in turn is a consequence of

the traditional demands of the local Lao market, where basic bookkeeping is of most use to the largely SME customer base. There have, however, been a number of foreign accountancy firms present in Lao PDR serving the multinational foreign investor and international donor market. In general, these firms have only employed foreign qualified CPAs to undertake their audit and accountancy work.

107. Over the last two years, this position has radically changed. Two new Acts are now in force: The Law on Accounting (No. 47/NA of 26 December 2013) and the Law on Independent Audit (No 51/NA of 2 July 2014). Together these Acts will modernize the regulation of the accounting market in Lao PDR and prepare for the launch of the ASEAN Economic Community in 2015.
108. The Law on Accounting, which came into force on 13 July 2014, is designed to improve the accounting system in Lao PDR by aligning Lao Accounting Standards with International Accounting Standards and International Finance Reporting Standards. Under the new law, entities in Lao PDR may now use IFRS in preparing and maintaining their accounting records rather than using two types of accounting standards (Lao standards and IFRS) as required under the previous regime.
109. The Act also introduces some of the required elements for the ASEAN accountancy MRA:
 - It defines the high level qualifications required of 'chief accountants' (article 58), including an academic diploma in finance, accounting or a similar field, three years of practical experience in accountancy, and a training certificate on accounting issued by the Ministry of Finance or other relevant organizations. In addition accountants in public interest enterprises or large non-public interest enterprises must be members of the Chamber of Professional Accountants and Auditors;
 - It sets out the responsibilities of accounting and audit firms – their obligation to comply with regulations and implement the code of ethics for professional accountants (article 62);
 - It requires 'staff responsible for government and enterprise accounting work' to keep their professional knowledge up to date by attending training organised by the Ministry of Finance (article 63);
 - It establishes the Advisory Accountancy Board under the auspices of the Ministry of Finance to act as an advisory body on technical regulations and the implementation of the legislation. This body will comprise both government officials and private sector experts (articles 64-66);
 - It sets out the supervisory responsibilities of the Ministry of Finance and provincial and district level bodies (articles 79-83), their rights of inspection (articles 84-87) and sanctions (articles 93-99).
 - Finally, the Act also elaborates the high level ethical framework for those involved in accountancy through the listing of duties and prohibitions in the various articles of the legislation.
110. The Law on Independent Audit was approved by the National Assembly on 25 July 2014 and is intended to introduce professional standards for audit consistent with those set out by the International Auditing and Assurance Standards Board (IAASB). This Act also sets out some of the required elements for the implementation of the MRA:
 - It sets out the overall responsibilities of the Ministry of Finance and of provincial and district level bodies for supervising audit activities and for promulgating the rules in relation to Certified Public Accountants (CPAs);

- It sets out the requirements for a Lao CPA, which include certificates of professional and practical training. The professional training certificate requires the successful completion of an examination whilst the practical training element demands 3 years of experience. Various exemptions are also listed. (Articles 33-37);
 - The Act also outlines the obligations and duties of a Lao CPA including the obligation to comply with any regulations put in place by the Ministry of Finance (articles 38-39).
 - It covers the rights and obligations of firms licensed as accounting or audit firms (articles 40-51) and the additional rights and responsibilities of those holding audit licences (articles 52-57);
 - Article 27 requires all accounting and audit firms to comply with: the code of ethics for professional accountants, audit standards, quality control assurance, professional indemnity insurance; and continuing professional development obligations. Articles 28-30 then elaborate that the code of ethics will be based on IFAC standards, and that professional standards and quality assurance also draw on international standards and regulations laid down by the Ministry of Finance. Article 31 requires audit firms to take out professional indemnity insurance cover and to provide a copy of their policy annually to the Ministry of Finance and the Lao Chamber of Professional Accountants and Auditors. The continuous professional development requirement (article 32) demands that practitioners should complete at least one hundred twenty hours of CPD over a three year cycle with a minimum of twenty hours in any. The Act states that the Ministry of Finance will set down further regulations on CPD.
 - Finally, the Chamber of Professional Accountants and Auditors is established by the Act, replacing LICPA. The Act sets out the high level role of the Chamber, which is mostly to maintain standards and provide continuing education. The Chamber executive is to be appointed (and may be dismissed) by the Ministry and further detail on its structure and functioning will be forthcoming in the form of regulations to be promulgated by the Ministry(article 65-66).
111. Overall, therefore, the two new laws governing accounting and audit practice set out the essential elements required of the MRA. This framework applies to all accountants, regardless of whether they are foreign or domestically qualified. The Ministry plans that foreign qualified CPAs will be subject to a test to ensure that any 'gaps' with the local certification requirements are dealt with. In the short run, given the absence of a domestic certification programme, the Ministry is proposing that the 'test' for foreign CPAs will consist of a requirement for them to provide training to locally qualified accountants.
112. The Ministry of Finance now needs to implement this framework. A Ministerial Ordinance is currently under preparation but will need to be supplemented by more detailed regulations. The Ministry is currently seeking financial support for a programme of activity to complete the legislative picture and promulgate standards. This programme includes a number of individual projects which are highly relevant to the introduction of the ASEAN MRA and which build on World Bank ROSC¹⁹ recommendations:
- A project designed to introduce an internationally recognised accountancy syllabus to the University curriculum. Graduates would then be enrolled in a professional CPA training course run by LICPA/LCPAA.

¹⁹World Bank Report on the Observance of Standards and Codes in International Financial Architecture (see <http://www.worldbank.org/ifa/rosc.html>)

- A project to develop the CPA training syllabus in Lao and specifically to bridge the gap between existing Lao CPAs and the new internationally recognized level proposed.
- A project to strengthen the institutional capacity of the Accounting Department Staff at the Ministry of Finance.
- A project to build the capacity of the Lao Institute of Certified Public Accountants (which will become the Chamber of Professional Accountants and Auditors) in order to help it to reach the level required to become a member of IFAC.

(b) Qualification Requirements

113. There is no standard international qualification in accountancy, but the best known is perhaps the Certified Public Accountant (CPA) qualification. Requirements vary from country to country, but as a rule a CPA will possess a 4 year degree level qualification, or a Bachelors + 1 year Master's degree, followed by some experience prior to full licensing. Licensing will also often demand evidence of knowledge of ethical conduct requirements and the satisfaction of ongoing CPD.
114. At present in Lao PDR, most accounting consultants have not received the level of training that would be required of a CPA. A degree in accounting is currently offered by the National University but the view of the Ministry of Finance was that the syllabus for this course needed significant strengthening. The 'Big four' accounting firms are assisting the University with it curriculum upgrade
115. A scheme has been introduced through the Lao Institute of Chartered Public Accountants (LICPA) which is run from the Ministry of Finance, to assist in the upgrade of Lao CPAs to full internationally recognised CPAs. LICPA members must complete a 6-month training and examination program that includes 10 subjects. According to the Ministry, however, only around 100 individuals have been registered. They are proposing that these individuals will be brought up to the level of international CPAs through a combination of CPD training and a qualifying examination. At present, however, the Ministry/LICPA does not have either the funding or the technical expertise available to implement this plan.

Surveying services

(a) Legislative and Regulatory Requirements

116. The recent Decree On Surveying, Aerial Photography and Mapping (No.330/GOL of 18 September 2014, replaces the Prime Minister's Decree on Surveying, Aerial photography and Mapping Activities in The Territory of The Lao PDR (No. 255/PM, dated August 16, 2005). This new decree reflects the fact that the National Geographic Department, which has responsibility for overseeing the regulation of surveying and mapping activities, was moved from the Prime Minister's Office into the Ministry of Home Affairs (MHA) in 2012.
117. Decree 330/GOL was designed primarily to update the 2005 Prime Ministerial Decree and therefore does not contain all of the elements required for the implementation of the MRA. It does however do the following:
 - Firstly, it defines surveying activities (article 6) and requires their regulation. Surveying in this legislation is defined to include:

- Planning, survey, construction and measuring of the national ground control points such as survey and measure the national geodetic network, levelling points and gravity points;
- Survey and creation of topographic maps and other relevant activities;
- Survey and determination of locations for national boundary benchmarks and administrative boundaries

This definition is compatible with the International Federation of Surveyors (FIG) definitions of the functions of a surveyor which is referenced in the ASEAN Surveying services MRA and appended as annex 2 to the agreement.

The decree also usefully sets out in article 14, the Lao PDR government's objectives in regulating this activity.

The rest of the decree is light on the details that would be required for full compliance with the ASEAN MRA but nonetheless it creates the framework within which these details can be added subsequently. It creates the framework for regulating surveying activity:

- By obliging all those undertaking surveying activities in Lao PDR to follow regulations as laid down by the Ministry of Home Affairs (article 17);
- By requiring organisations undertaking surveying activities to obtain prior permission. This offers the basis for a registration/licensing regime (articles 18-22);
- By giving the Ministry of Home Affairs the power to maintain a list of organisations and individuals authorised to conduct surveying activities and to control these activities through the regulation (article 24(7));
- By giving the Ministry of Home Affairs the powers to impose disciplinary measures for breaches (article 34).

118. A manual for the conduct of surveying organisations has been drawn up with the assistance of the Finnish Government and is now being translated into regulations. However, one gap in this new regulatory approach is the absence of any scheme for the registration and licensing of individual surveyors. An application has been made to extend the Finnish technical assistance project in order to create a qualification and licensing system for individuals which would complement the licensing of companies. However, this would require at least another decree and possibly, subject to the views of the Ministry of Justice, full legislation in order to give the requisite powers to the NGD.

119. Once the necessary decrees are in place, further decisions will need to be made in a number of crucial areas:

- Firstly, the NGD will need to decide on the appropriate model for it to adopt in regulating the profession (i.e. the extent to which powers are delegated and the possible role of a surveyors' association)
- Secondly, the NGD will need to determine the standard or basis on which individuals can be regulated. At present there is no definition of "what is a surveyor?" in Lao law or regulation and this is needed in order to set the standard required of inbound ASEAN surveyors under the MRA.
- This will, in turn, need to feed into the future evolution of any University or polytechnic curricula leading to Lao surveying qualifications.
- Thirdly, the NGD will need to decide how individuals with existing qualifications and experience can be absorbed into this licensing system
- Fourthly any law or decree in this area will need to set out the relationship between company licensing requirements and those covering individuals.

120. The NGD has been looking at other ASEAN countries for useful precedents that might be used in establishing a regulatory infrastructure in Lao PDR. Regulatory practice varies across the region with some Member States combining engineering and surveying under a joint board, whilst others, like Malaysia maintain separate boards for architecture, engineering and surveying. The department has not yet finalised its plans on how surveyors might be regulated and is considering registration requirements which would include a specified (but as yet undefined) level of education and the completion of some postgraduate experience, evidenced by the maintenance of a logbook.
121. The view of the NGD was that Lao PDR would not be in the first wave of ASEAN Member States ready for an MRA in Surveying; however, the Department was also confident that there were Lao nationals with strong expertise in land surveying. Nonetheless, one weakness in the profession is the limited experience of using technology in the form of Geographic Information Systems (GIS), which are only deployed within the NGD. The NGD has received support from both the Finnish and Korean governments to develop the use of technology in surveying and the NGD has started a GIS society in order to increase knowledge about GIS in the wider profession. This society may form the embryo of a future society of Lao surveyors which will participate in the running of the MRA.

(b) Qualification Requirements

122. No decision has yet been made on the level of education that would be required for professional surveyors to be registered in Laos. As in the case of accounting, there is no universally accepted international standard but the trend, encouraged by the International Federation of Surveyors (FIG)²⁰ is towards a degree level qualification coupled with some postgraduate experience and the requirement of tests on professional ethics and ongoing CPD. The choice for Laos of appropriate educational levels is not made easier by the disparity in duration of studies across the ASEAN region. At present, a surveying qualification requires 3 years of university level education in Vietnam, 4 years in Thailand and 5 years in the Philippines.
123. At present NUOL offers 4 year Bachelors' degrees in electrical and mining engineering which has been taken by students who subsequently become surveyors. However, the only dedicated course in surveying that is currently run in Lao PDR is offered by Sapavisa Polytechnic School. This polytechnic was established in 1986 and has over 2000 students studying practical technology based courses following high school graduation. Surveying and mapping courses are offered at certificate level (12+2 years) and diploma level (12+3.5 years). The Polytechnic produces around 120 graduates a year who are then mostly employed in the National Geographic Department and in the Office of the National Boundary Committee under the Ministry of Foreign Affairs. The Surveying department of the Polytechnic attempts to maintain the quality of its graduates by cooperating with universities in Vietnam and China (30 students every year go to study in the School of Urban Management and Resource Environment at Yunnan University of Finance and Economics), through an internship programme, and through the role that senior staff in NGD play in teaching on the surveying course. Despite these efforts, the Principal of the Surveying Department at Sapavisa Polytechnic acknowledges that the students emerging from the diploma course would need a further 2 year course, covering more theoretical and conceptual work in order to benchmark to Bachelor degree level.
124. Sapavisa Polytechnic did run a five year Bachelor's degree level course in surveying between 2005-13 as part of a World Bank funded project in land titling²¹. This degree level

²⁰ FIG, the International Federation of Surveyors (www.fig.net)

²¹ See Implementation Completion and Results Report (IDA-38010) on Second Land Titling Project in Lao PDR, World Bank Report No: ICR00001270

course produced around 150 full graduates over a 3 year period from 2010 and produced the personnel that has subsequently ensured the registration of land and contributed to national hydropower and other resource use projects. The element of the project involving the Polytechnic consisted of training of trainers, the creation and delivery of a Bachelor's degree curriculum, the establishment of relationships with Universities in Vietnam and China and the upgrading of equipment used for teaching. Unfortunately, however, despite its success, the Ministry of Education has required the Polytechnic to stop offering the course as it is not authorised to offer Bachelor level degrees. The Polytechnic staff are concerned that this will now reduce the quality of both students and teaching staff that it is able to recruit. It will also reduce the availability of Lao nationals with advanced degrees in surveying, since those who had obtained the Bachelor's degree from Sapavisa were able to enrol in the Masters' courses at Hanoi University of Geology and Mining or Yunnan University.

125. NUOL's Faculty of Engineering has expressed an interest in developing a dedicated surveying engineering course if it could obtain approval from the Ministry of Education to do so. However, this would involve starting from scratch whilst Sapavisa already has the capacity to offer a Bachelor's degree course. Although, as the Polytechnic staff acknowledged, this capacity may disappear quickly if no action is taken to reinstitute the course. Various options could be considered to address this situation, such as special permission from the Ministry of Education for Sapavisa to run the Bachelor's course, through to combining the existing expertise of Sapavisa into a new Institute of Science and Technology. These options are picked up in the report's recommendations.

Conclusions

126. Overall there is a common pattern across the MRA professions in Lao PDR:
- All responsible line ministries are aware of the MRAs and appear to be well versed in their obligations under them;
 - All have been undertaking basic preparatory work in the form of establishing an improved legislative framework, even if this is not yet in all cases complete.
 - All are aware of the need to create a PRA structure to regulate the profession for which they are responsible. Plans are at various stages of advancement but in general, remain sketchy, with most needing to draft detailed regulations to implement the high level of regulation introduced by legislation.
 - Most responsible line ministries have been involved in some form of international collaboration to assist in the process of capacity building which has helped in preparing for the adoption of the MRAs.
 - The universities and other institutions responsible for the academic qualifications that lead to professional qualifications all appear to be enthusiastic about the role that they might play in providing new improved curricula or expanded numbers of graduates, following the implementation of the MRAs.
 - However, there are common constraints across all of the MRA sectors: A lack of local experience in regulating, a lack of familiarity with the role of the regulated professions, a lack of capacity and systems to manage, monitor and enforce regulation in the various MRA professions, as well as further work required to strengthen Lao national professional qualifications.

V. GAP analysis

127. Table 1 below recaps on the essential requirements of the MRA and assesses these against the current situation in Lao PDR. It then accords a priority rating for dealing with these gaps in order for Lao PDR to fulfil its obligations under the MRA. Two priority ratings are used: Critical and important. The critical rating is given to measures that are required in order for Lao PDR to fulfil its essential responsibilities under the MRAs. These tend to be greater in those sectors in which the MRAs have direct effect (i.e. architecture, engineering and more recently, accountancy) through the creation of ASEAN level qualifications. The important rating is given to measures that are needed in order for the full functionality of the MRA to be accessed, but may be a lower priority because, for example the MRA concerned leaves it to each Member State to determine how they implement. This, however, should not be seen as a reason to take no action, since, in most cases, it will benefit Lao PDR to adopt international standards or their equivalent.

128. Overall, the following broad conclusions can be drawn:

- In almost all sectors the legislation relating to the MRA professions is under review or has been updated. These texts need to be checked carefully both against the legal requirements of the MRAs, GATS and AFAS commitments and to ensure that they do grant the necessary powers to permit regulation without undermining market access commitments that may have been made. In the healthcare sector, new legislation is not imminent but would be highly desirable. Even if this is not necessarily essential for the introduction of a regulatory infrastructure in the health professions, good framework health sector legislation could help to strengthen the introduction of regulation and assist with the implementation of wider health policy goals.
- There is a lot of work to be done once the required laws are in place. Most of the line Ministries responsible have already begun to think about the shape of the PRA they intend to put in place once the required legislation has passed. However, most acknowledge the challenge that then exists in terms of capability and resource to actually implement the systems that the MRAs require.
- All of the sectors will need to put in place regulatory systems to fulfil the requirements of the MRAs. The underlying design elements of these systems are likely to have a great deal of common ground and there should be scope for sharing experience and understanding in drawing them up.
- In the short term, Lao PDR professionals are unlikely to meet the requirements of the MRAs in order to be able to take advantage of them. However, given the shortage of skilled professionals in the country in general this delay in achieving exporting status is not likely to have too much of an impact. However, it will be important to those professionals who are qualified in Lao PDR to see that there are domestic regulatory mechanisms in place which will enable them to qualify elsewhere or to achieve ASEAN status (in architecture and engineering in particular). The possibility of requalifying in other ASEAN countries and of obtaining experience elsewhere, should also be helpful in increasing the attractiveness of the regulated professions as a career option.
- International cooperation projects which were not explicitly intended to assist in the implementation of the MRAs (e.g. raising the standards of Higher Education, introducing GIS in surveying, or improving the nursing curriculum) have had this effect. This suggests that other projects in future which are designed for other purposes could nonetheless have potentially beneficial side effects in terms of Lao PDR's participation in the ASEAN MRAs. Greater sensitisation of both line Ministries and donors to the

possibility that their projects could contribute to achieving the goals of participation in the MRAs would therefore be helpful.



Table 1: Gap Analysis of ASEAN MRA requirements and Lao PDR's Approach to regulating professional services

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Architectural services				
Legislative requirements	<p>Legislation defining practice of architecture and 'an architect'.</p> <p>Legislation granting powers to a PRA to regulate the practice of architecture.</p>	<p>A draft law on Urban Planning is intended to pass through the National Assembly in 2015. This doesn't define 'architecture' or the work of an 'architect' but will require companies undertaking urban planning work to be registered and to have the appropriate staff in place.</p>	<p>The proposed law is not yet available in English so this assessment needs formal confirmation. The legislation does provide the basic prerequisites for regulation but further precision is needed in secondary regulations on definitions of 'architectural services' and what an 'architect' is.</p>	<p><u>Critical:</u> This is a building block on which the regulations setting out detailed definitions can be built. The latter need to be finalised as soon as possible.</p>
Regulatory infrastructure	<p>A PRA must be in place to regulate local and Registered Foreign architects</p> <p>A monitoring committee must be in place to manage the list of locally qualified ASEAN Architects.</p>	<p>The draft law on Urban Planning requires all companies and individuals involved in Urban Planning to be properly registered to undertake this work. The powers granted to the Board which will be established under the Urban Planning Law should be sufficient to enable it to undertake the tasks required by the MRA</p>	<p>The monitoring committee exists and has established criteria for Lao professionals to qualify as ASEAN Architects which have been approved by the ASEAN Architects Council, which is responsible for overseeing the MRA at a regional level.</p> <p>Further precision is however needed in any secondary regulations.</p>	<p><u>Critical:</u> The detail will need to follow on from the passage of the Urban Planning legislation but MPWT have embryonic plans in place for how the Board might be structured and operate. Further work is needed on</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Qualification requirements	For ASEAN Architect: 5 year degree, ability to practise independently; 10 year's continuous practice , 2 year's specialist expertise; CPD requirements.	Lao Architect: 5 year degree. Registration of recent graduates	There is not yet a methodology for assessing the ability of Lao architects to practise 'independently' (i.e. will some kind of training period be stipulated?); no ongoing registration and monitoring system for practice is in place; no mechanism for assessing specialist work yet exists; there is no CPD system.	<u>Important:</u> Although transitional arrangements have been put in place for existing experienced Lao architects, in future Lao architects will be unable to obtain recognition as ASEAN Architects unless monitoring systems are in place. This is not critical to Lao PDR compliance with the MRA but is important.
Systems and capabilities of regulatory infrastructure	Regulatory systems requirements under the MRA include: - Definition of entry requirements - The promulgation of a code of conduct	No systems yet exist – awaiting the creation of the Board for Architects and Engineers.	The MRA requires the PRA in a host country to monitor practice of RFAs and feedback any problems to the RFA's home country authority.	<u>Critical:</u> Although the finalisation of these need to await the creation of a PRA formally, There is important preparatory work that could be

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
	<ul style="list-style-type: none"> - Introduction of a CPD system - A methodology for monitoring ongoing practice - An requirement for licence renewal and an ability to grant Certificates of Good Standing (COGs) - Disciplinary arrangements. - Information mechanisms: Providing information to migrant professionals and fellow PRAs. 			<p>undertaken to prepare options for the Board on: A code of conduct, monitoring arrangements, licence renewal and COGs, and disciplinary arrangements. These are essential to the working of the MRA and the maintenance of confidence by other ASEAN PRAs in the Lao system of regulation.</p>
Engineering services				
Legislative requirements	<p>Legislation defining practice of engineering and 'an engineer'.</p> <p>Legislation granting powers to a PRA to regulate the practice of engineering.</p>	<p>The draft law on Urban Planning will provide the framework for establishing these definitions. This will need to be elaborated in secondary regulation.</p>	<p>The proposed law is not yet available in English so this assessment needs formal confirmation. The legislation does provide the basic prerequisites for regulation but further precision is needed in secondary regulations on definitions of 'engineering services' and what an 'engineer' is.</p>	<p>Critical: this needs to be finalised through secondary regulations as soon as possible.</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Regulatory infrastructure	<p>A PRA must be in place to regulate local and Registered Foreign Professional Engineers</p> <p>A monitoring committee must be in place to manage the list of locally qualified ASEAN Chartered Professional Engineers.</p>	<p>The draft law proposes a new Board for Architects and Engineers. The powers granted to this Board need to be sufficient to enable it to undertake the tasks required by the MRA. These powers need to be elaborated in the secondary regulations.</p>	<p>The comprehensiveness of the powers granted to the new Board under the draft Law on Urban Planning cannot be assessed until the draft law is available in English. Powers need to include the right to register, supervise and discipline practitioners and to make secondary regulations.</p> <p>The Lao PDR monitoring committee for the engineering MRA has not yet been established and is awaiting the entry into force of the Law on Urban Planning.</p>	<p><u>Critical:</u> The existence of the necessary regulatory infrastructure flows from the legislation but MPWT have embryonic plans in place for how the joint Board for engineers and architects might work. Further planning work on the structure and functions of the Board and how it will be involved in fulfilling its roles as PRA and MC, can usefully be undertaken in advance of the passage of the enabling legislation.</p>
Qualification requirements	<p>An ASEAN Chartered Professional Engineer must have a recognised and accredited qualification. Must have 7 years post-graduate experience and at least 2 in 'significant' works.</p>	<p><u>Lao Engineer:</u> 4 year accredited degree. Registration of recent graduates now in place.</p>	<p>There is not yet an ongoing registration and monitoring system for practice in place; no mechanism for assessing specialist work yet exists; there is no CPD system.</p>	<p><u>Important:</u> Lao engineers will be unable to obtain recognition as ASEAN Chartered Professional</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
	Other pre-qualification requirements are for local specification.			Engineers unless these measures are in place. Not critical to Lao PDR compliance with MRA but important to the development of the Lao profession.
Systems and capabilities of regulatory infrastructure	<p>Regulatory systems requirements under the MRA include:</p> <ul style="list-style-type: none"> - Definition of professional entry requirements - The promulgation of a code of conduct for engineers - The introduction of a CPD system - A methodology for monitoring ongoing practice - A requirement for licence renewal and an ability to grant Certificates of Good Standing (COGs) - Disciplinary arrangements. - Information mechanisms: Providing information to migrant professionals and fellow PRAs. 	No systems yet exist – awaiting the creation of the Board for Architects and Engineers.	The MRA requires the PRA in a host country to monitor practice of RFAs and feedback any problems to the RFA's home country authority.	<p><u>Critical</u>: Although the finalisation of these need to await the creation of a PRA formally, There is important preparatory work that could be undertaken to prepare options for the Board on: A code of conduct, monitoring arrangements, licence renewal and COGs, and disciplinary arrangements. These are essential to the working of the MRA and the maintenance of</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Medical Practice				
Legislative requirements	<p>Law should define medical practice, require individuals to hold licenses and be regulated on an ongoing basis to provide defined medical services.</p> <p>Should define the powers delegated to a PRA</p>	<p>Law on Healthcare 2005 does not contain sufficiently detailed descriptions of medical practice and the qualifications required to become a medical practitioner.</p> <p>The powers of the Medical Professions Council as described in the Act are very limited.</p>	<p>This is significant as it does limit how effective any PRA for medical practice can be in practice as it allows the Medical Professions Council to grant authorisations but is silent on the striking off procedures and vague on ethical, CPD and renewal requirements. These could be much improved in order to gain the confidence of other ASEAN PRAs.</p>	<p><u>Critical:</u> A new framework law for the healthcare professions is urgently required but given the time this will take maximum use must be made of the scope for the PRA to regulate under the existing Law on Healthcare.</p>
Regulatory infrastructure	<p>Should be a PRA with responsibility for issuing licences to qualified individuals, setting and monitoring standards, imposing disciplinary sanctions etc.</p>	<p>The Medical Professions Council exists and is currently run as a single Board for all healthcare professions. This is under-staffed and insufficiently resourced and is currently only able to operate a largely voluntary registration system.</p>	<p>The Law on Healthcare 2005 does not grant the MPC the full powers it needs to undertake tasks under the MRA. Running all the professions under a single set of arrangements is also likely to make it harder to meet the requirements of each individual healthcare MRA, although there is still</p>	<p><u>Critical:</u> Although new legislation is required to put in place a PRA with the appropriate powers, there is probably scope under the current law to go some way towards setting up the essential future</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Qualification	<p>There should be an independently accredited national professional medical practice qualification which meets internationally recognised standards.</p>	<p>Qualification from UHS has been accredited nationally on durational grounds but a curriculum update and improvements in numbers and training of teaching staff are required to reach standards likely to be accepted elsewhere in ASEAN.</p> <p>The requirements in the Healthcare Law are very vague and generic and need to be significantly strengthened to conform to current international best practice.</p>	<p>scope for some sharing of essential functions.</p> <p>There is a very wide gap between the qualification requirements in the Law on Healthcare 2005 and general international norms.</p>	<p>structure of regulation for the MRA healthcare professions.</p> <p><u>Important:</u> No Lao PDR medical practitioner will be able to benefit from the MRA until the qualification is benchmarked to international standards. Domestic qualification requirements also need to be specified in order to determine what additional requirements need to be fulfilled by migrant medical practitioners from elsewhere in the region.</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Systems and capabilities of regulatory infrastructure	The PRA should have in place the necessary mechanisms required by the MRA, i.e. A domestic licensing system, a code of conduct, monitoring mechanisms and disciplinary procedures, a CPD scheme and insurance system (optional). The PRA should be able to renew licences, issue certificates of good standing and share disciplinary records.	The current Medical Professional Council does not yet have these mechanisms in place.	Without this infrastructure in place, Lao PDR cannot meet MRA commitments on registering inbound medical practitioners.	<u>Critical:</u> Without the ability to monitor foreign professional medical practice, the MPC will be unable to secure the confidence of fellow ASEAN PRAs that it is able to fulfil its obligations under the MRA.
Dental Practice				
Legislative requirements	A national legislative framework which defines dental practice and requires individuals to hold licenses to provide defined dental services.	Law on Healthcare 2005 does not contain sufficiently detailed descriptions of dental practice and the qualifications required to become a dental practitioner. The powers of the Healthcare Professions Regulatory Board as described in the Act are very limited.	This is significant as it does limit how effective any PRA for dental practice can be in Healthcare Professions Council to grant authorisations but is silent on the striking off procedures and vague on ethical, CPD and renewal requirements. These could be much improved in order to gain the confidence of other ASEAN PRAs.	<u>Critical:</u> A new framework law for the healthcare professions is required.
Regulatory infrastructure	A regulatory infrastructure which delegates powers to a PDRA to	The current Medical Professions Council which	The Law on Healthcare 2005 does not grant the	<u>Critical:</u> To some extent the creation

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
	<p>issue licences to qualified individuals, set and monitor standards, impose disciplinary sanctions etc.</p>	<p>covers dental practitioners, does not yet have these mechanisms in place.</p>	<p>MPC the full powers it needs to undertake tasks under the MRA. Running all the professions under a single set of arrangements is also likely to make it harder to meet the requirements of each individual healthcare MRA.</p>	<p>of the necessary infrastructure requires new legislation but there is probably scope under the current law to go some way towards setting up the essential future structure of regulation for the MRA healthcare professions.</p>
Qualification requirements	<p>An independently accredited national professional dental practice qualification which ideally meets internationally recognised standards.</p>	<p>The requirements in the Healthcare Law are very vague and generic and need to be significantly strengthened to conform to current international best practice.</p>	<p>There is a very wide gap between the qualification requirements in the Law on Healthcare 2005 and general international norms for the qualification of dental practitioners.</p>	<p><u>Important:</u> No Lao PDR dental practitioner will be able to benefit from the MRA until the qualification is benchmarked to international standards. Domestic qualification requirements also need to be specified in order to determine what additional requirements need to be fulfilled by</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
				migrant dental practitioners from elsewhere in the region.
Systems and capabilities of regulatory infrastructure	<p>A PDRA which has in place the necessary mechanisms required by the MRA, i.e.:</p> <ul style="list-style-type: none"> - A domestic licensing system - A code of conduct, monitoring mechanisms and disciplinary procedures - A CPD scheme and insurance system (optional) - The ability to issue certificates of good standing - The ability to assess foreign dental qualifications and impose additional measures required, as necessary. 	The current Medical Professions Council does not yet have these mechanisms in place.	Without this infrastructure in place, Lao PDR cannot meet MRA commitments on registering inbound dental practitioners.	<u>Critical</u> : Without the ability to monitor foreign professional dental practice, the MPC will be unable to secure the confidence of fellow ASEAN PRAs that it is able to fulfil its obligations under the MRA.
Nursing				
Legislative requirements	A legislative framework which sets out nursing qualification requirements for different	Law on Healthcare 2005 does not contain sufficiently detailed descriptions of	This is significant as it does limit how effective any PRA for nursing can be in	<u>Critical</u> : A new framework law for the healthcare

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
	<p>technical and professional levels; and which delegates powers to the regulatory infrastructure which will be responsible for assessing training and education requirements and monitoring ongoing practice;</p>	<p>nursing practice and the qualifications required to become a nurse. The powers of the Healthcare Professions Regulatory Board as described in the Act are very limited.</p>	<p>practice as it allows the Healthcare Professions Council to grant authorisations but is silent on the striking off procedures and vague on ethical, CPD and renewal requirements. These could be much improved in order to gain the confidence of other ASEAN PRAs.</p>	<p>professions is required.</p>
Regulatory infrastructure	<p>A regulatory infrastructure which is able to set appropriate domestic standards and monitor compliance with them;</p>	<p>The Medical Professions Council is considering the establishment of separate boards/committees for each branch of the healthcare profession. This would enable it to regulate appropriately for each profession.</p>	<p>The Law on Healthcare 2005 does not grant the MPC the full powers it needs to undertake tasks under the MRA. Running all the professions under a single set of arrangements is also likely to make it harder to meet the requirements of each individual healthcare MRA.</p>	<p><u>Critical:</u> To some extent this requires new legislation but there is probably scope under the current law to go some way towards setting up the essential future structure of regulation for the MRA healthcare professions.</p>
Qualification requirements	<p>A domestic professional nursing qualification which benchmarks against international norms. Specifications for ASEAN nurses in order to benchmark them to local requirements.</p>	<p>Good progress has been made in practice to upgrade the nursing curriculum and qualification but this could usefully be reflected in revised legislation stipulating</p>	<p>In the short run, in order to comply with the MRA in nursing, Lao PDR should specify what qualification and other entry requirements an ASEAN</p>	<p><u>Critical/important:</u> It is critical to Lao PDR's participation in the nursing MRA for it to specify the requirements that</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Systems and capabilities of regulatory infrastructure	A mechanism for evaluating foreign nursing qualifications against domestic requirements and monitoring foreign nurses on an ongoing basis. This implies: An initial assessment mechanism of suitability and qualification for practice; an ethical framework for practice; monitoring mechanisms; licence renewal and CPD systems; disciplinary systems.	The current Medical Professions Council does not yet have any of the standard required regulatory mechanisms in place.	Without this infrastructure in place, Lao PDR cannot meet MRA commitments on registering inbound nurses.	<u>Critical:</u> Without the ability to monitor foreign professional nursing practice, the MPC will be unable to secure the confidence of fellow ASEAN PRAs that it is able to fulfil its obligations under the MRA.
Accounting Services				
Legislative requirements	Legislation should define the practice of accounting and audit and the tasks reserved to 'accountants'.	Together the new Law on Accounting (2014) and Law on Independent Audit (2014) set out required definitions.	The new laws meet the high level requirements of the ASEAN MRA in Accountancy.	The new laws have created the necessary basis for regulatory

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
	<p>The legislation should also define the regulatory tasks to be delegated to the professional regulatory authority (PRA).</p>	<p>The Ministry of Finance is identified as the PRA, with assistance in certain tasks from the Chamber of Professional Accountants and Auditors.</p>		<p>infrastructure to be put in place. These could usefully be used as models for others to draw on given their effective coverage of the need for definitions, the inclusion of regulatory objectives, the clear statement of rights and responsibilities of those regulated of the regulating bodies.</p>
<p>Regulatory infrastructure</p>	<p>The PRA needs to have the powers and the structure to implement the tasks required of it.</p>	<p>This is fully covered in the new laws.</p>	<p>The new laws effectively implement the requirements of the MRA.</p>	<p><u>Important:</u> The powers of the various component parts of the regulatory infrastructure are well defined in legislation but capacity building is likely to be required in order to enable them to carry out these functions in practice.</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Definition of qualification requirements	The MRA requires a definition of national qualification requirements (technical, moral, legal and possibly experience).	<p>The new legislation clearly defines the requirements for a Lao CPA and these requirements should meet the necessary standards for the qualification of ASEAN Chartered Professional Accountant.</p> <p>The challenge in the short term will be for existing Lao accountants to upgrade their qualifications to meet these new internationally benchmarked standards.</p>	<p>MoF has identified the need for a project to provide CPD training to existing Lao accountants in order to help them to reach the standards expected by the new Law.</p> <p>Further work is needed to upgrade the University curriculum for accountancy studies</p>	<p><u>Important:</u> Secondary regulations could add further detail on the curriculum and tests required for the professional training element of qualification as a Lao CPA together with any further detailed requirements for practical training aside from the duration.</p>
Systems and capabilities of regulatory infrastructure	<p>The PRA needs to have systems in place to:</p> <ul style="list-style-type: none"> - Grant practice rights to foreign accountants; - Monitor ongoing practice of accountants; - Set standards. - Take disciplinary action 	These systems do not yet exist in practice	<p>The systems need to be put in place so that other ASEAN member states can have confidence in the regulatory system in Lao PDR which is both hosting their migrant accountants and producing Lao accountants who may seek recognition from them in future. The new legislation provides the framework to put these in place but work</p>	<p><u>Critical:</u> These systems are essential to the effective implementation of the MRA.</p>

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Surveying Services				
Legislative requirements	A legislative framework which defines surveying services and how they are to be regulated.	A new Ministerial decree was passed in 2014 but this deals primarily with registration of surveying companies. Further legislation, or possibly another decree, is needed in order to deal with the registration and qualification requirements of individual surveyors. This could possibly be done by an extension to the existing project to support NGD funded by the Finnish government.	There is an absence of any basis for registration of surveyors at present.	<u>Critical:</u> This is the essential building block on which conformity with the MRA will be built. The views of the MoJ are needed on whether it is possible for NGD to obtain the necessary powers through a decree.
Regulatory infrastructure	The creation of a PRA to licence and regulate surveyors.	There is no PRA in existence to operate a systematic scheme for licensing or regulation and NGD has not yet determined the form any institutional registration arrangements might take.	The regulations defining the detailed powers and structural requirements of a PRA will need to follow finalisation of the new decree. However, it is possible to undertake work on options and design in advance.	<u>Important:</u> Following on from preparation of a new decree, regulations setting out the operation of the PRA will need to be set out.

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
Qualification requirements	A definition of national competence requirements for any locally qualified surveyor, which covers education and practical training.	Initial thinking is underway in the National Geographical Department which is likely to lead to the requirement for a Lao surveyor to possess a combination of university degree + recorded log of training period. The details have yet to be finalised.	The internal thinking at the NGD needs to be formalised through regulations.	<u>Important:</u> If Lao PDR is able to set out its qualification requirements of licensed surveyors in the form of regulations, it then has the basis for allowing (or refusing) professional surveyors from other ASEAN countries access to its market.
Systems and capabilities of regulatory infrastructure	A registration/licensing authority with clear procedures for assessing foreign qualifications against national requirements. This PRA should ideally also have monitoring and disciplinary arrangements in place, a code of conduct and CPD arrangements	The necessary systems for licensing and monitoring practice have yet to be worked out.	The regulatory systems for surveying practice have yet to be put in place.	<u>Important:</u> The surveying MRA is still at a developmental stage at the ASEAN level and therefore requirements are left to individual member states. At present Lao PDR's system of regulation is almost non-existent and it would therefore raise confidence

	MRA Requirements	Current position in Lao PDR	Assessment of 'gap'	Consequences /Priority for addressing
				levels in other member states if some level of recognised professional regulation was to be introduced.

VI. Issues and Challenges

129. As the above gap analysis illustrates, there are a number of challenges and issues that face Lao PDR in getting the most out of the ASEAN MRAs in professional services. These can perhaps best be broken down into the following four categories:

- i) The constraints of the market
- ii) Establishing the necessary infrastructure
- iii) Operationalising regulation
- iv) Creating professional cadres

130. Looking at each of these in turn:

The Constraints of the Market

- The shortage of local skilled talent has encouraged foreign investors to bring in skills from outside. In the absence of local regulation and a significant local private sector profession which can work with these foreign professionals, there has been relatively limited demand for transfer of skills and knowledge to date. However, some university faculties, notably engineering at NUOL, have established dialogue with industry in order to get market feedback on the demand for skills.
- The decentralisation of government has in the past few years exacerbated the public sector 'crowding out' effect as a growing number of public sector posts (e.g for engineers and surveyors) have become available. However, the role of the Ministry of Education in controlling supply is also a factor. A number of the higher education institutions responsible for qualifications leading to MRA recognition expressed some frustration that they had been constrained in their development by quotas imposed by the Ministry on numbers of students and/or staff.
- Where the private sector exists, it is both young and small scale: 60% of enterprises are less than 5 years old and only 2.4% have more than 10 employees.²² This limits the capacity of the private sector to generate training opportunities and this could be an important constraint if the implementation of new regulatory approaches in the MRA sectors in Lao PDR results in a requirement for graduates to complete training periods before they can be licensed as fully qualified professionals.

Establishing the necessary infrastructure

131. As illustrated in table 1, in order to put in place the necessary infrastructure to implement the ASEAN MRAs, the relevant line ministries need to consider the following challenges:

- The importance of good quality legislative drafting for regulatory purposes. Existing legislation relating to the professions, at least in English translation, is sometimes vague and insufficiently clear on definitions, the objectives of regulation, who or what is to be regulated, and what powers the regulatory authority is granted by the legislation. It is important that any new primary legislation not only covers these essential points but also avoids being too prescriptive. The regulatory authority must

²² National Statistical Center. 2007. *Report of Economic Census 2006, Volume 1*. Vientiane.

have the ability to make, and keep updated, rules for professional practice and qualifications. At the same time, it is important that the control mechanisms on the PRA and the possible mechanisms for appealing its decisions are clear. There may be experience in drafting such regulatory legislation that can be drawn on from elsewhere in the region but it may also be worth supplementing the guidance that exists on legislative drafting and which led to the preparation of the Law on Legislation Development No.19/NA, 12 July 2012²³. The possible constraints on legislative time may also be an important factor in determining whether it is better for those sectors, like Healthcare, which do not currently have adequate primary legislation, to nonetheless attempt the necessary MRA regulation on the basis of what is currently in force.

- Professional qualifications need to be built on the foundations of solid educational standards. The picture at present in Lao PDR is patchy: In nursing, engineering and to some extent architecture, there has already been a lot of work undertaken to raise standards, benchmark and create internationally competitive qualifications. However in medicine, dentistry, accountancy and surveying there is still work to be done. An ADB funded project currently underway in the higher education sector should help to provide a basis for accrediting university courses in future following internationally accepted standards, but more might be done to encourage international cooperation in the university level courses leading to professional qualifications, as this would help to gain and retain the trust of fellow ASEAN regulators who may in future need to recognise the qualifications of Lao PDR professionals.
- The need to obtain the cooperation of relevant stakeholders: The implementation of the ASEAN MRAs requires input and cooperation from the central Ministries responsible for trade in services, the line ministries responsible for the specific MRAs, the universities responsible for providing the educational basis for professional qualifications, the PRAs that are designated as the responsible regulators in each sector, and the professional associations where they exist, will help to create the climate in which the MRAs can take root. The involvement of all of these stakeholders in a common endeavour is new and it is therefore likely that some kind of coordination mechanism could usefully be put in place to ensure that all are contributing to the successful implementation of the MRA.
- In addition to sectoral based collaboration, there is likely also to be some advantage in bringing together the different sectoral line ministries and PRAs from time to time, at least in the early days of implementation. As table 1 illustrates, there are many common challenges across the MRA sectors and some collaboration would help in the sharing of experiences, training and other resources.
- It is also worth recalling that Lao PDR is expected under the MRAs to provide information to ASEAN professionals in an accessible form. This suggests the need for each PRA to maintain web based information. There may be scope for sharing across professions the mechanisms for doing this.

Operationalizing MRA compliant regulation

- One challenge in the operationalisation of MRA regulation is the development of a regulatory culture within responsible line ministries, even if their function in the longer term is purely to be an oversight one. In the past, there has been little scope

²³ Law Drafting Guide (draft 10/26/2014), Ministry of Justice Lao PDR/UNDP

for Lao PDR officials to obtain experience of managing delegated regulatory activities. There is therefore a risk, evident from some discussions in line ministries, of a possible confusion between the proper role of a PRA, the role of a professional association and how functional oversight can be most helpful. This could be easily rectified with some sensitisation for the relevant officials on the roles and responsibilities of different elements of regulatory infrastructure.

- There are a number of functions which need to be carried out by all of the PRAs responsible for MRAs, such as registration procedures, mechanisms for introducing CPD and monitoring practice etc. There is widespread concern amongst the line Ministries that they lack the resources and the internal capabilities and experience to put such systems in place and run them as PRAs. There is also some wishful thinking that by delegating this task to a newly created PRA that this will solve the problem. However, regardless of where responsibility for these functions sit, there is little practical experience in handling them in Lao PDR, so whoever is responsible will face a challenge. There may, however, be scope to develop common templates and examples of how such mechanisms can be put in place to share these across all of the PRAs.
- It is also extremely important that any regulation that is put in place by the PRAs, when they are fully set up, is proportionate and complies with best regulatory practice in order to ensure the competitiveness of Lao PDR's professional services markets. This suggests that some external benchmarking and scrutiny could usefully be built into the regulatory design of the new PRAs.

Creating professional cadres and a thriving professional services economy

132. Even if Lao PDR is successful in implementing the requirements of the ASEAN MRAs and in operationalising them, this will not guarantee that the country will have extracted the full benefit of the agreements. In order to do so, it needs to have a cadre of professionals who are interested in the potential that regional professional practice can bring and who are committed to the continued development of professionalism in their particular sector. The following are the kind of issues which arise in this area:
- Although all of the University departments running courses in MRA professions reported that they had sufficient demand for places, there was worrying evidence of some drop out post-graduation, especially in medical practice. It therefore appears that the potential career benefits of professional status, as a mechanism for obtaining new opportunities or as a passport to international recognition, are not widely appreciated. One reason for this may be the dominance of public sector employment in the professions and it would be worth looking in parallel with the formal introduction of the MRAs, at how a wider range of private sector opportunities can be opened up for professionals. This could be done, for example, by the publication of searchable registries which contain additional information to that required for pure regulatory purposes and which help clients to find professionals in Lao.
 - There appears to be little awareness amongst those who have qualified that they are in (or should be in) a "regulated" profession and what this means in practice. In most countries which have regulated professions, professionalism carries high status and signals trustworthiness because of the role that ethical codes and ongoing learning play in the training and practice of individuals in these professions. This kind of recognition does not yet appear to exist in Lao PDR, no doubt due to the largely unregulated status of most professions to date. Once codes of conduct

are introduced for all of the MRA professions, mechanisms will need to be found of ensuring that these are embedded early in the training of newly licensed individuals, and crucially also their first employers, who will be responsible for inducting them into their chosen profession.

- The lack of a 'professional culture' may also mean that it could initially be difficult to get individuals to comply with registration, renewal and ongoing CPD requirements. It was pointed out, in particular by the Medical Professions Council, that regulated and unregulated practitioners are likely to coexist for some time to come. Although the ultimate sanction of withdrawing licences does exist, it would be worth considering how to emphasise the advantages of being licensed, until a culture of professionalism has taken root. Such measures could include for example, demanding evidence of up to date compliance with licensing requirements in order to establish eligibility for pay increases or promotion, in those sectors largely dominated by public sector employment. In the infrastructure professions, evidence of licensing could be made a requirement for public procurement opportunities. Measures of this type could also be useful in helping to incentivise professionals to become fully licensed.
- The role of professional associations in promoting a culture of professionalism is particularly important. These organisations are separate from regulatory authorities, since their role is rather to act as a voice of, and advocate for the profession, rather than as a protector of the public interest, which is the job of the PRA. Despite this, the professional associations will play an important role in the success of the MRA and should be seen as part of the ecosystem that needs to be established for professions to thrive. They not only provide the main source of socialisation for new entrants to the profession but can also often usefully provide access to employment and training opportunities. Initial discussions with the embryonic professional associations that exist in Lao PDR suggest that there is a real concern that they will not have sufficient resources or level of interest from the profession in order to be viable in the longer term. This is of concern, not least, since early discussions with some line Ministries suggest that there is an expectation that professional associations will play an important part in helping to monitor the profession in practice. It may therefore be worth considering giving some support to such associations to assist them to establish themselves. This support could include, for example, the delegation of certain tasks from the PRA such as the management of traineeships, the organisation of CPD etc.
- The international debate around professional services regulation in the developed world now holds that whilst licensing is rightly a mandatory requirement, membership of a representative professional body should be voluntary. In the Lao PDR context, this would create a major hurdle for newly created professional associations to overcome. If the professional associations have been delegated regulatory tasks it is easier to require membership to be compulsory but a clear distinction needs to be put in place between these tasks and the role of the organisation in representing the interests of its members.

133. In addition to these specific challenges for the implementation of professional services regulation, it is also worth flagging some other risks, which are not sector specific. These include:

- High levels of dependency on specific technical assistance in order to achieve required tasks and a lack of action without funding. Despite this, it is possible, as this report has highlighted, for aid-funded projects to contribute directly or indirectly to the achievement of goals for which they are not primarily intended.

This underlines the importance of the sensitisation of a wide range of stakeholders, across government and beyond, on the MRAs and the various development goals that they may contribute towards over the longer term.

- The related risk of lack of continuity in activity once funding ceases, unless private sector sources can be generated. This is a particular concern for professional regulation which has been delegated from Ministries.

VII. Drawing on Experience from elsewhere

134. In looking to the implementation of the ASEAN MRAS, Lao can usefully draw on experience from elsewhere in the world, particularly but not exclusively, from other ASEAN countries.
135. MRAs are much discussed as an international tool to promote the free movement of professional services but they have only really been fully implemented outside of the ASEAN region in a few sectors such as architecture and engineering, or through particular regional economic arrangements, such as the European Union (EU) and more recently, the East Africa Community (EAC).
136. The examples from other regional economic communities are of particular interest to Lao PDR because both the EU and EC have experience of absorbing less developed, transition economies into their MRAs: Bulgaria and Romania in the case of the EU and Burundi and Rwanda in the case of the EAC.
137. In all of these examples, the initial experience of the less developed countries was to become a net importer of professional skills. However in those countries such as Romania and Rwanda, which have taken an open approach and allowed foreign professionals to work in integrated practice with locals, important transfers of knowledge and skills have taken place. This has resulted, for example, in Romania in indigenisation of the supply of professional services in sectors like law and accounting; and in Rwanda locally qualified engineers for example, are beginning to take advantage of the MRA and establish themselves in other EAC member countries. This suggests that Lao PDR might also gain greatest benefit from the MRAs by ensuring that their implementation encourages the greatest possible integration between local and foreign service providers.
138. A further common factor in the successful implementation of MRAs in less developed countries within the EU and EAC, has been the use of twinning arrangements. In the case of accountancy for example, the Rwandan profession was given significant technical assistance by the Kenyan accounting profession in setting up its regulatory structures and systems.
139. There may also be useful lessons from the EU in general, given the way in which its MRAs have evolved over time. Over the last decade there has been a growing emphasis in Europe on 'accompanying measures' which sit alongside MRAs in professional qualifications and make them more effective. These measures have included, for example: Websites which act as 'single points of contact' and allow migrant professionals to access all their licensing requirements from a host country in one place; support to professional bodies responsible for communicating with target professions, the promotion of cross-border employment through recruitment websites. Although these

- programmes were designed as EU-wide projects, there is nothing to stop Lao PDR drawing on the underlying concepts and adapting them for purely national purposes.
140. Lao PDR can also draw on another example which illustrates how the promotion of professional services can be successful from a less developed country with no track record in exporting them. From 2005 onwards, Ethiopia has been implementing an engineering capacity building programme, which has encompassed both university level and vocational reform, some regulatory change (e.g. through the introduction of mandatory internships and linkages to industry. This has now put Ethiopian engineers in a position where they are highly competitive, well respected throughout the region and capable of winning business in other countries within the region. The moral of the story for Lao PDR is that a strategic approach to key sectors, such as those represented by the MRA professions, will pay far greater dividends than implementation of the MRA requirements as outlined in the agreements, without any accompanying activity to ensure that economic effects are felt.
141. It is also worth noting the important role that international professional organisations such as the International Engineering Alliance²⁴, the International Federation of Surveyors²⁵, the International Union of Architects²⁶ and the International Federation of Accountants²⁷ have played in helping to provide assistance and knowhow to newly establishing professional bodies. Membership of these organisations also plays an important part in signalling to fellow regulatory bodies that standards of qualification and regulation have met acceptable standards. Lao PDR should consider encouraging all of the MRA PRAs to seek membership of appropriate international bodies and to make this part of their strategic planning. In some cases, e.g. surveying – definitions may help e.g. http://www.fig.net/pub/figpub/pub02/figpub_2.pdf
142. More practically and closer to home, Lao PDR may be able to draw on helpful experience within the region.
- The Philippines for example, has created a single professional regulatory commission (www.prc.gov.ph) which provides a single one-stop shop for individuals wishing to obtain licences to practice various professions. This sort of example could be worth considering in Lao PDR to make the establishment of regulatory systems for many professions more cost-effective.
 - Singapore has a well developed regulatory environment and has provided a great deal of information to the various ASEAN MRA sectoral coordinating committees. This offers useful benchmarking information about how regulation of the professions is undertaken in one of the most respected and effective systems in Asia.
 - A number of member countries, notably Singapore and Malaysia, have post-graduate training schemes and CPD schemes in engineering and architecture. Lao PDR could usefully adapt such schemes for its own environment rather than starting from scratch.
 - There are other less developed ASEAN Member States, for example Cambodia, which have recently put in place their own systems for regulating professions such as surveyors and there may well be useful lessons to draw on from these examples.

²⁴ <http://www.ieagrements.org/>

²⁵ www.fig.net

²⁶ www.uia.arch

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²⁷ www.ifac.org

- In the healthcare sectors, most ASEAN member countries maintain separate regulators for each of their professions, reflecting the different qualification requirements and ethical codes of practice demanded of doctors, dentists and nurses. Even if Lao was to follow this example, this need not mean that there could not be common underlying sharing of the mechanics of the regulatory system, such as registration and renewal, management of databases etc.
143. In discussions with all of the line ministries responsible for introducing the MRAs, there was interest in learning from others in ASEAN. Singapore on the regulatory side and Thailand on the educational side, emerged as the ASEAN member countries see as being most useful for Lao PDR to learn from.

VIII. Recommendations

144. Based on the above state of play and outlook for the MRA professions in Lao PDR, the review of likely gaps in the implementation, the challenges likely to be faced by the various line Ministries and PRAs in moving forward and the lessons that might be drawn on from elsewhere, the following are the key recommendations of this report.

Recommendations to Ministries responsible for trade in services and investment and other Ministries with horizontal responsibilities

- (1) Sensitize other ministries to the MRAs so that MRAs can become a factor in other areas of policy which might contribute towards increasing their impact (e.g. procurement policy, education policy). If possible, establish a coordination mechanism with other central government ministries whose work might impact on MRAs. This might, for example, be a sub-committee of an inter-departmental group looking at AEC implementation across government. Such a committee might, for example, look for ways of improving opportunities for the recognition of MRA professionals /private sector providers (e.g through procurement policy) in order to improve compliance with new licensing requirements.
- (2) Create a coordination mechanism to bring line ministries together on a regular basis to compare notes and share thoughts on the implementation of the MRAs.
- (3) Develop a central point of single contact/web portal for ASEAN professions containing the essential information in English on practice rights and qualifications. This could be used to update and improve the information supplied to the various MRA coordinating committees.
- (4) Provide a checklist/toolkit for implementing line ministries which provides guidance on creating implementing legislation for the MRAs, including points to guard against. This could include, for example, guidelines on WTO compliant mechanisms for those inventing technology transfer requirements for foreign investors etc.
- (5) Provide training for line ministries in regulation. This could include, for example: How to design local standards of practice, how to set up a PRA, how to design the systems a PRA will need to implement. Role of ethics – what goes in a code of conduct and how this is useful for regulation. This training could be combined into a toolkit covering the essential elements of creating and implementing a PRA.

Recommendations to line Ministries responsible for MRAs

- (6) Ensure enabling legislation for MRAs contains the required definitions of services to be provided in the sector and of the professional providing them. Ensure it also delegates the essential powers to a PRA without being overspecific.
- (7) Consider where regulatory infrastructure could be shared with other professions to reduce overhead of maintaining the regulatory system.
- (8) Prioritise the creation of the necessary regulations to implement the MRAs.
- (9) Assist in the creation of professional bodies by identifying and paying for tasks to be carried out by these bodies.
- (10) Provide ongoing support to the PRAs, where these functions are not carried out directly within the line ministries.
- (11) Consider drawing up strategic plans for professional sectors with the MRA as one component part.

Recommendations to PRAs

- (11) Undertake training in good regulatory practice. Follow templates and example.
- (12) Set out strategic plan for each PRA elaborating how MRAs going to be rolled out, rules to be put in place, code of conduct and monitoring and disciplinary arrangements.
- (13) Create objective of joining appropriate international professional organisation as a means of obtaining ongoing practical support and an external benchmark to aim for.
- (14) Convene together all relevant stakeholders on a regular basis, if they are not formally involved in MRA governance.
- (15) Set out in regulations clear 'grandfathering' arrangements for the recognition of experience by existing architects and engineers who will not be able to produce evidence of having been registered for the requisite number of years
- (16) Seek implementing partners/twinning arrangements from other ASEAN jurisdictions

Recommendations to Universities

- (17) Lobby the Department of Higher Education to remove staff quotas limiting the expansion of faculties responsible for training professionals.
- (18) Find international partners to help strengthen university curricula in medical, dental, accounting and surveying services.
- (19) Move ahead with the establishment of the new Institute of Engineering and incorporate the surveying department of the Polytechnic into this new institution.

- (20) Ensure future course design complies with MRA requirements (e.g. 4 year architecture course at Soupharnouvong University)
- (21) Increase engagement with industry and raise profile of employability and career benefits of professional courses. Encourage formation of alumni communities to support this engagement.
- (22) Work with the PRAs in different sectors to identify and develop CPD that can be offered to the private sector.
- (23) Following engagement with the relevant PRA, if required, incorporate ethics training into basic curriculum or into a postgraduate course which might be taken as part of the qualification process.

IX. An Action Plan

145. The following section sets out an action plan for each sectoral MRA, identifying the appropriate order in which certain actions should be taken. There is also a separate action plan for central co-ordinating departments and some actions which can usefully be shared between the different sectors.

A. Architectural Services

Action	Responsible organisation	Timing
Check new law against checklist of requirements in annex to this report and if necessary make any final amendments.	MPWT	Q1 2015
Design detail of PRA role, responsibilities and structure (should be at least in part laid out in law) (nb. Shared with engineering and possibly surveying?) in order to provide basis for drafting of regulations	MPWT	Q1 2015
Draft new regulations	MPWT	Following on from passage of the new Law on Urban Planning
Define MRA Monitoring Committee within/alongside PRA structure	MPWT	Q1 2015
Set out strategy for overall development of architectural sector	MPWT	Q1-2 2015

Define in detail Lao requirements and process to become an ASEAN Architect	Monitoring committee	These requirements have been defined but could be made transparent through e.g. MPWT website
Set up ASEAN Architect Register for Laos	Monitoring committee	Q1 2015 – MPWT report that they have already begun this process.
Set out grandfathering arrangements to allow existing architects to join register in absence of prior registration requirements but on the submission of satisfactory evidence	Monitoring committee	(see note above on details and process of defining ASEAN Architect qualifications in Lao PDR)
Appoint PRA	MPWT	Following passage of Law on Urban Planning (est. Q3-4 2015)
Draft strategic plan for evolution of regulation of architectural sector – drawing on high level Ministerial sectoral plan.	PRA	Q1 2016
Drafting of any detailed rules to flesh out regulatory requirements in Law on Urban Planning	PRA	Q1 2016
Set out code of conduct for architects	PRA	Q1 2016
Design and implement regulatory systems: educational accreditation, initial licensing, renewal, CPD, monitoring and discipline/enforcement.	PRA	Q1 2016 onwards
Create public access to registers and rules about qualification	PRA	Q1 2016 onwards (Nb. information could be provided in advance of this to ASEAN Architects in relation to the systems that are being put in place).

B. Engineering Services

Action	Responsible organisation	Timing
Check new law against checklist of requirements in annex and if necessary make amendments.	MPWT	Q1 2015
Design new PRA role, responsibilities and structure (should be at least in part laid out in law) (nb. Shared with architecture and possibly surveying?)	MPWT	Q1 2015
Draft new regulations	MPWT	Following on from passage of the new Law on Urban Planning
Define MRA Monitoring Committee within/alongside PRA structure	MPWT	Q1 2015
Set out strategy for overall development of engineering sector	MPWT	Q1-2 2015
Define in detail Lao requirements and process to become an ASEAN Chartered Professional Engineer	Monitoring committee	Q3 2015
Set up ASEAN Chartered Professional Engineer Register for Laos	Monitoring committee	Q3 2015 – this will follow on from the passage for the Urban Planning Act
Set out grandfathering arrangements to allow existing engineers to join register in absence of existence of prior national registration scheme but on the submission of satisfactory evidence	Monitoring committee	To be determined after passage of the Urban Planning Act (Q3 2015)
Appoint PRA	MPWT	After passage of the Urban Planning Act (expected in Q3 2015)
Draft strategic plan for evolution of regulation of engineering sector –	PRA	Q1 2016

drawing on high level Ministerial sectoral plan.		
Draft new regulations on engineering practice (nb. There could be considerable overlap with architecture)	PRA	Q1 2016
Set out code of conduct for engineers	PRA	Q1 2016
Design and implement regulatory systems: educational accreditation, initial licensing, renewal, CPD, monitoring and discipline/enforcement. (nb. Scope for shared systems with architects even if different standards)	PRA	Q1 2016 onwards
Create public access to registers and rules about qualification (nb. Scope for shared system with architects).	PRA	Q1 2016 onwards (Nb. information could be provided in advance of this to ASEAN Architects in relation to the systems that are being put in place).

C. Healthcare Practitioners

Action	Responsible organisation	Timing
Undertake research into possible contents of new law on healthcare professions with separate sections for medical practitioners, dentists, nurses (and others as necessary) outlining scope of reserved practice, regulatory role of divisions of healthcare professions council and powers delegated to it.	MoH	2015 onwards
Design new healthcare PRA role, responsibilities and structure (nb. This should be a single structure with separate boards for each individual profession)	MoH	early 2015

Draft regulations for PRA	MoH	Q2 2015
Appoint PRA	MoH	Q3 2015
Define domestic requirements for MRA practitioners in medicine, dentistry and nursing against which ASEAN practitioners can be benchmarked	MoH	Q2-3 2015
Roll out examination systems for all new practitioners	MoH/PRA	2015 onwards
Continue to roll out individual licensing system	MoH/PRA	2015 onwards
Set out conduct regulations and code of conduct for different healthcare practitioners	PRA	Q4 2015
Design and implement regulatory systems: educational accreditation, initial licensing, renewal, CPD, monitoring and discipline/enforcement.	PRA	Q4 2015 onwards
Create public access to registers and rules about qualification	PRA	Q1 2016 onwards

D. Accountancy Services

Action	Responsible organisation	Timing
Design new PRA role, responsibilities and structure in detail – fleshing out what is contained in new legislation	MoF	Q1 2015
Draft new regulations for PRA	MoF	Q1 2015
Define MRA Monitoring Committee within/alongside PRA structure	MoF	Q1 2015
Add any detail as required to requirements and process to	Monitoring committee	Q2 2015

become an ASEAN Chartered Professional Accountant		
Set up ASEAN Chartered Professional Accountant Register for Laos	Monitoring committee	Q3 2015
Set out transfer arrangements in more detail which will allow existing accounting consultants to join national register of CFAs	Monitoring committee	Q2-3 2015
Formally appoint PRA	MoF	After passage of the regulations required under the Law on Audit
Set up Chamber of Professional Accountants and Auditors	MoF	Q2 2015 onwards
Set out code of conduct for accountants and auditors	PRA/CPAA	Q2 2015 onwards
Design and implement regulatory systems: educational accreditation, initial licensing, renewal, CPD, monitoring and discipline/enforcement.	PRA/CPAA	Q2-3 onwards
Create public access to registers and rules about qualification (nb. Scope for shared system with other professionals).	PRA/CPAA	Q1 2016 onwards

E. Surveying Qualifications

Action	Responsible organisation	Timing
Draft new legislation (possibly Presidential decree?) giving NGD (or its designated agency) powers: to register and deregister surveyors; to determine registration requirements; to require surveying services to be provided through registered surveyors; to require all companies conducting surveying activities to have Lao	NGD (need to check level of law required for such authority with Ministry of Justice)	Early 2015

registered surveyors in management positions etc. (NB. need to draft with Lao PDR GATS and AFAS horizontal commitments in mind)		
Determine system of regulation to be adopted (e.g. simple registration with NGD or more sophisticated professional regulation via creation of a professional board. The latter could involve, for example, a professional board chaired by NGD but with representation from active professionals, academics etc. In both circumstances there is scope for sharing underlying infrastructure for managing registration with architects and engineers. NB. Need to bear in mind likely conclusion of more detailed MRA in future).	NGD to decide following review of arrangements in other ASEAN Member States	Early 2015
Appoint board (if determined by legislation)	NGD	Follows from legislation/decreed
Define target domestic requirements for surveying qualifications, drawing on ASEAN precedents and FIG standards	NGD (or Board of surveyors if appointed)	Early 2015
Conduct baseline survey of surveying professionals and use results to identify any bridging qualifications, experience requirements or grandfathering arrangements to permit existing holders of qualifications to join register	NGD	2015
Roll out individual licensing system and any transitional arrangements	NGD or Board of Surveyors	2016
Draft internal regulations on surveying practice (e.g. how licensing system will work, procedure for complaints, CPD requirements etc) (see annex x for list of possible tasks of a PRA)	NGD or Board of Surveyors	Following establishment of system to be adopted (2015/16)
Set out code of conduct for surveyors	NGD or Board of Surveyors	Following establishment of system to be adopted (2015/16)
Design and implement regulatory systems: educational accreditation, initial licensing, renewal, CPD, monitoring and discipline/enforcement.	NGD or Board of Surveyors	Following establishment of system to be adopted (2015/16)

(nb. Scope for shared systems with architects and engineers)		
Strengthen domestic qualifications: Ensure Bachelors degree level qualification available in Lao PDR either through permission to Sapavisa to offer Bachelor's level course in Surveying or by incorporating Sapavisa expertise into new Institute of Engineering, Science and Technology.	MoE/NUOL Engineering faculty/Sapavisa Polytechnic	2015 onwards

F. Shared Actions

Action	Responsible organisation	Timing
Sensitisation of other ministries with potential roles in the MRAs (e.g. MHA, Ministry of Education, Ministry of Labour etc).	FTPD/MOIC	Q2 2015 onwards
Organisation of regular coordination meetings for MRA line ministries (perhaps in advance of rounds of coordinating committees)	FTPD	In advance of next round of coordinating committee meetings on MRAs
Design and publication of common professional qualifications website for inbound ASEAN professionals	Possibly FTPD or MOIC	Q4 2015/Q1 2016
Production of training on MRAs and regulation for staff in line ministries and related bodies involved in implementing MRA	FTPD/MOIC	Q2 2015 onwards
Production of templates of handbooks/information sources on the MRAs and domestic professional regulation which can be adapted for internal and external use.	FTPD/MOIC	Q2 2015 onwards
University curriculum strengthening in most MRA related sectors (see below for more sectoral detail in role for technical assistance).	Qualifications commission/Ministry of Higher Education/Universities	2015 onwards

X. Possible role for technical assistance

146. As the tables above setting out the various actions required to implement the MRAs in Lao PDR illustrate, there is significant overlap of what the responsible line ministries need to do across different sectors and therefore considerable scope for technical assistance to address these common needs. The following outlines the most obvious common needs:

- Support to provide training for line ministries on implementation of the MRAs. This could be accompanied by additional capacity building on the ASEAN agreement in general and management of regulated activities in particular. Activities that might form part of this type of capacity building include: General sensitisation for Ministry staff on the MRAs, more detailed support for those actively engaged in monitoring committees or PRA functions, study visits to other ASEAN countries.
- Support for all line ministries in drafting of regulations to implement professional regulation – this could be based on a common core and adapted for individual sectoral requirements. This is an urgent requirement that all line ministries have and is needed if the MRAs are to be implemented.
- A Handbook on professional regulation and training for PRAs (once appointed) on the essential systems to put in place (e.g. key requirements for registration, monitoring and discipline and common requirements for CPD schemes).
- Assistance to produce a common website containing information about how ASEAN candidates can enter the Lao PDR market under the ASEAN MRAs.
- Assistance to all sectors in the roll out of information and sensitisation of professionals on changing domestic regulation as well as the possibilities for ASEAN opportunities (see below on sector specific technical assistance).
- Assistance across most sectors (see below for detail) in setting up and professional associations and supporting their development in order to underpin the outreach work of PRAs.
- Support to familiarise University staff in relevant disciplines with MRAs and with common international standards, coupled with further support to strengthening of University curricula in core MRA subject areas.

Sector Specific Requirements

147. In addition to the common technical assistance requirements identified above, the following are specific areas for assistance that are appropriate for individual sectors.

Architecture and Engineering

148. For those sectors where the MRA requirements are most clearly spelt out at both ASEAN and domestic levels, it will be particularly important to ensure that domestic practitioners are aware of their rights and responsibilities under the new regulatory regimes that are

being promulgated. There are various elements of such activity that could usefully be supported by technical assistance, these include:

- Capacity building of the MPWT in sector specific knowledge and regulatory matters.
- Capacity building support for the development of ALACE, which is to provide an important role in assisting the PRA in engineering and architecture in monitoring practice.
- Strengthening of links between University faculties in the MRA subjects and private sector operators through creation of alumni programmes and CPD/seminar series which may need initial subsidisation.

Accountancy

149. As mentioned previously in this document, the Ministry of Finance has identified a number of projects which will assist it to implement the World Bank ROSC findings. These are outlined below:

- Strengthening of the technical capacity of the MoF and Accounting Advisory Board in international standards etc. This could possibly be achieved by building further on recent twinning arrangements with international accounting bodies but this would be made more effective if it was adequately supported financially. Enabling staff to participate in international meetings and supporting their individual training will also assist in this.
- Wider sector training in the new legal frameworks for government accounting, enterprise accounting and audit. This would include training of trainers as well as training of accountants, controllers, inspectors and other stakeholders in the different requirements outlined in the various laws. This would help to support the rollout of new accounting standards required by the Law on Accounting.
- Development of the curriculum for a bachelor degree in accountancy to be offered at the Universities in Lao PDR.
- Development of a professional training programme syllabus for Lao CPAs.
- Strengthening of the capacity of the Chamber of Professional Accountants and Auditors (formerly LICPA). This will involve both some generic activities which are common across professional bodies in different sectors (e.g. setting up of systems, international best practice in regulation etc.) together with work that is sector specific to accountancy and audit.

□

Healthcare professions

150. The MRA on healthcare is likely to need to be implemented in advance of a new Healthcare professions Act or Acts. Technical assistance in drafting regulations for a Healthcare PRA and its subsidiary systems will therefore be even more important in this

sector than in professions such as architecture and engineering, or in accountancy where the new laws on accounting and internal audit are particularly comprehensive. Nonetheless urgent technical assistance to support the MoH in drafting a new law/laws covering the healthcare professions is urgently needed.

151. Practical technical assistance is also needed to ensure that registration schemes in the medical, dental and nursing sectors are rolled out effectively and that resulting registers are maintained properly. The job of sensitising the professions to the need for registration, the requirements that they will increasingly need to meet (e.g. of continuous professional education and training) and the standards they will need to attain (e.g. of conduct and professionalism) will require significant logistical and policy support. This is a complex task for the healthcare sectors which will also, most likely, need to dovetail into existing projects in healthcare reform.
152. As in other sectors, technical assistance for capacity building of the staff at the MoH responsible for the MRA and wider regulation of the professions, should have both a generic element, overlapping with other ministries and a sector specific element. The generic element relates to the development of greater understanding across Lao Ministries of regulation of services and professional services in particular and best practice in doing so. The specific elements relate to the need for Ministry of Health officials to develop greater understanding of international standards in medical, dental and nursing activities and to participate in international benchmarking networks and forge closer twinning links.
153. In addition, this report has identified that technical assistance to support curriculum development and professional training, similar to that already provided by JICA in the nursing sector, is urgently needed in the medical and dental sectors. Improvements in the quality of the faculty of the University of Healthcare Sciences will be an important first step which will need to be followed by a roll out of an improved curriculum and support for the training of those supervising the clinical stage of healthcare education.

Surveying Qualifications

154. The National Geographic Department has recently benefited from project support from the Korean and Finnish governments to support the development of the surveying system in Lao PDR. An earlier land mapping and registration project funded by the World Bank also enabled the country to undertake a comprehensive exercise in land registration. Unfortunately it appears that some of the investment made by the latter project, into the development a Bachelor degree program at Sapavisa Polytechnic, may be lost. due to the unforeseen consequences of higher education policies which prohibit the polytechnic from offering a degree level qualification. Before further technical assistance is given to develop a bachelor degree program in surveying at NUOL, efforts should be made to preserve the work already done at Sapavisa, even if this means transferring the department, or part of it, to the University.
155. Existing technical assistance from the Finnish government is also supporting a Surveying and Mapping which has produced a modernised Ministerial decree on surveying in Lao PDR. An extension to this project has been, or will be, requested in order to ensure that the decree on surveying services is completed by a new law/decre

on the registration of individual surveyors. Without such technical assistance, it is difficult to see how the NGD would be able to implement the MRA in surveying services.

156. Such a decree, defining what 'a surveyor' is and what services they can provide would, however, only be the first step towards establishing a proper system of regulation for surveyors and further assistance would be required in order to put in place a fully developed and operational PRA at a later stage.

XI. Conclusions

The overall conclusions of this study are as follows:

- There is genuine interest and commitment from the responsible line Ministries and from Lao PDR as a whole, in implementing and making a success of the ASEAN MRAs.
- The focus of implementation work to date has been more on overarching legislative frameworks and the internal reorganisation of Ministries and there is still considerable detailed work to do in order to put all of the necessary infrastructure in place for managing the MRAs.
- If Lao PDR is to get long term and sustainable benefit from the ASEAN Professional Services MRAs, it makes sense for the responsible Ministries to take time to set up the necessary bodies, regulations and systems properly rather than attempt to rush to complete the process before the launch of the AEC in 2015. If required, transitional arrangements could be set up where essential to allow ASEAN professionals to exercise their rights within Lao PDR. However, given the relative openness of the country in practice, this is only probably an issue for the healthcare professions and does not need to be a significant one.
- There is considerable commonality in the underlying requirements for each MRA and potential for the mechanical arrangements for licensing, checking documentation, monitoring compliance and publicising requirements to be shared across all the professions, or at least some of them. This does not preclude each individual profession from having its own specialist board responsible for setting rules and determining any disciplinary action to be taken.
- There is a great deal of work going on in seemingly unrelated projects on healthcare, higher education and labour market reforms that could assist with the successful implementation of the MRAs. There could therefore be additional benefit gained from sensitising other donors and stakeholders to the existence and possible contribution that the MRAs could make to Lao development objectives. This could harness additional efforts to make the MRAs fully effective at minimal additional cost.

XII. Annexes

Annex 1: LAO PDR WTO Schedule of Horizontal and Specific Sectoral Commitments and MFN Exemptions

Annex 2: Lao PDR AFAS Commitments



Annex 1: LAO PDR WTO Schedule of Horizontal and Specific Sectoral Commitments and MFN Exemptions

Modes of supply: (1) Cross-Border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS (APPLICABLE TO ALL SECTORS INCLUDED IN THIS SCHEDULE)			
Land ownership		(3), (4) Non-Lao PDR natural and juridical persons are not allowed to own land but may own premises and lease land up to 75 years.	
Commercial presence	(3) To establish a commercial presence, a services provider must be incorporated in specific legal form in accordance with laws and regulations of Lao PDR.	(3) Foreign investors shall provide adequate training opportunities to Lao PDR nationals. (3) Tax measures, generally pertaining to small and medium enterprises may result in a difference of treatment in favour of Lao PDR services and service suppliers.	
Movement of natural persons providing services	(4) Unbound, except for measures affecting the temporary entry and stay of natural persons who qualify under one of the following categories, and in all cases, the total number of foreign natural persons in the following categories shall not exceed 20% of the total staff: A. <u>Business visitors:</u> Natural persons who: - Enter Lao PDR to be engaged in activities related to representing a services supplier for the purpose of negotiating for the sale of the services of that supplier;	(4) Unbound, except for measures concerning the categories of natural persons referred to in the market access column. Unbound for all measures relating to social insurance schemes including <i>inter alia</i> unemployment and pension benefits.	

Modes of supply: (1) Cross-Border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - Stay in Lao PDR without receiving remuneration from sources within Lao PDR; and - Do not engage in making direct sales to the general public or supplying services. <p>The temporary stay of business visitors is subject to a maximum duration of stay of 90 days.</p> <p>B. Intra-Corporate Transferees: Natural persons who have been employed by a juridical person of another Member outside Lao PDR for a period of not less than 1 year immediately preceding the request for transfer to Lao PDR, who seek temporary entry to provide services through commercial establishment of that juridical person in Lao PDR, who cannot be substituted by Lao PDR nationals, and who fall within one of the following categories: (a) Executives: Natural persons within an organization who primarily direct the management of the organization, exercise wide latitude in decision-making, and receive only general supervision or direction from higher-level executives, the board of directors, or shareholders of the business. Executives would not directly perform tasks related to the actual supply of a service or services of the organization; and</p>		

Modes of supply:	(1) Cross-Border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>(b) <u>Managers</u>: Natural persons who possess knowledge at an advanced level of expertise or proprietary knowledge of a juridical entity's products, services, research, equipment, techniques, or management, and who primarily direct the organization or a department of the organization; supervise and control the work of other supervisory, professional or managerial employees; have the authority to hire and fire or recommend hiring, firing or other personnel actions; and exercise discretionary authority over day-to-day operations. They do not include first-line supervisors, unless the employees supervised are professionals²⁸, nor do they include employees who primarily perform tasks necessary for the supply of the service.</p> <p>(c) <u>Specialists</u>: Natural persons within an organization who possess knowledge at an advanced level of continued expertise and who possess proprietary knowledge of the organization's services, research equipment, techniques, or management and where there</p>			

²⁸ Natural persons with professional qualifications for performing work within the scope of a particular profession, where these are required by the laws and regulations of Lao PDR.

Modes of supply:	(1) Cross-Border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>Limitations on Market Access</p> <p>are shortages of Lao PDR nationals with requisite skills.</p> <p>For the natural persons in the categories defined under intra-corporate transferees, temporary residency and work permit will be issued for 1 year which may be renewed every 6 months for up to 3 years as long as conditions indicated for each category are satisfied.</p>			

Modes of supply: (1) Cross-Border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. SECTOR-SPECIFIC COMMITMENTS			
2. BUSINESS SERVICES			
A. Professional Services			
(b) Accounting, auditing and bookkeeping services (CPC 862)	(1) None. (2) None. (3) Unbound for 7 years after the date of accession. Thereafter, a joint venture with a Lao PDR national accountant who is a full member of the Lao Institute of Certified Public Accountants (LICPA) is required ²⁹ . (4) Unbound.	(1) None. (2) None. (3) The majority of directors must be certified accountants who are Lao nationals. (4) Unbound.	
(d) Architectural services (CPC 8671)	(1) None.	(1) The service must be authenticated by an architect or engineer who has appropriate practicing certificate working in a juridical entity established in Lao PDR.	
(e) Engineering services (CPC 8672)	(2) None.	(2) The service must be authenticated by an architect or engineer who has appropriate practicing certificate working in a juridical entity established in Lao PDR.	
(f) Integrated engineering services (CPC 8673)	(3) For 5 years after accession, foreign equity participation limited to 51%. Thereafter: none.	(3) None.	
(g) Urban planning and landscape architectural services (CPC 8674)	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.	
8. PRIVATE HEALTH RELATED AND SOCIAL SERVICES			
The scope of private health related and social services concerns only fully-privately funded services.			
A. Private hospital services (Modern hospital with more than	(1) Unbound. (2) None.	(1) Unbound. (2) None.	

²⁹ For all phased in commitments in this schedule, it is understood that limitations indicated in sectoral headnotes and/or the horizontal commitments section will apply at phase in.

Modes of supply: (1) Cross-Border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
100 beds in big cities only (part of CPC 93110)	(3) None. (4) Unbound, except for executives and managers as per conditions in the horizontal section.	(3) Unbound. (4) Unbound, except for executives and managers as per conditions in the horizontal section.	

Lao PDR - LIST OF ARTICLE II (MFN) EXEMPTIONS

Sector or sub-sector	Description of the measure indicating its inconsistency with Article II	Country or countries to which the measures applies	Intended duration	Conditions creating the need for the exemption
All sectors	Measures extending preferential treatment to services and services suppliers under bilateral investment and trade agreements.	Parties to bilateral agreements with Lao PDR that entered into force before the date of accession.	Duration of bilateral agreement ^s	The aim is to promote investment and foster development in Lao PDR.

Annex 2: Lao PDR AFAS Commitments

Sector or Subsector	Limitation on Market Access	Limitation on National Treatment	Additional Commitments
<p>1. BUSINESS SERVICES A. Professional Services (b) Accounting, auditing and bookkeeping services (CPC 862)</p>	<p>(1) None (2) None (3) Foreign service suppliers may acquire a license to practice as Certified Public Accountants or Accounting Consultants in Lao PDR provided that an agreement or contract is signed with their countries on such issue. Nevertheless, on a temporary basis, the Professional Accountants Body can authorise foreigners to practice as Certified Public Accountants or Accounting Consultants if they belong to countries, which are members of the International Accounting Standards Committee. To apply for a license in Lao PDR, foreign professional accountants shall acquire certification based on the following conditions: a) Equivalence of diploma as provided for Lao professional accountants. Such certificates shall be issued with the approval of the Equivalence Qualification</p>	<p>(1) None (2) None (3) Unbound</p>	

	<p>Commission.</p> <p>b) Employment of assistants of Lao nationality in percentage not less than the one provided by the professional sector.</p> <p>c) Commitment to provide necessary and continuous training to employees of Lao nationality.</p> <p>d) Morality conditions required by the Professional Accountant's Body Board.</p> <p>e) Certification of financial statements by staff of Lao nationality</p> <p>In addition foreign service suppliers shall implement rights and obligations similarly to members of the Professional Accountant's Body, but they may not become members of such body.</p> <p>- For auditing services: foreign suppliers may audit only private enterprises</p> <p>All accounting and bookkeeping must be done by Lao national certified accountant.</p> <p>(4) Unbound</p>		
(d) Architectural services (CPC 8671)	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) As indicated in the Horizontal Section</p>	<p>(4) Unbound</p>

	(4) As indicated in the Horizontal Section	(4) As indicated in the Horizontal Section	(4) As indicated in the Horizontal Section
(e) Engineering services (CPC 8672)	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal Section³⁰</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal Section</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	
(f) Integrated engineering services	<p>(1) None</p> <p>(2) None</p> <p>(3) Joint venture with Lao services suppliers is required and foreign equity participation limited to 2/3.</p> <p>(4) As indicated in the Horizontal Section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) As indicated in the Horizontal Section</p> <p>(4) As indicated in the Horizontal Section</p>	
<ul style="list-style-type: none"> - Integrated engineering services for transportation infrastructure turnkey projects (CPC 86731) - Integration engineering and project management services (CPC86732) - Integrated engineering services for the construction of manufacturing turnkey projects(CPC86733) 			

³⁰ Approval shall be also in accordance with sectoral laws and regulations.

<p>(g) Urban planning and landscape architectural services</p> <ul style="list-style-type: none"> - Urban planning services(CPC 86741) - Landscape architectural services (CPC 86742) 	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal Section³¹</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) As specified in the horizontal section</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	
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³¹ Approval shall be also in accordance with sectoral laws and regulations.

XIII. References

LAO PDR Laws and Decrees referenced

Presidential Decree on ..(surveying?) 2005
Law on Accounting, No: 47/NA, dated 26 Dec 2013
Law on Enterprise, No: 46/NA, dated 26 Dec 2013
Law on Independent Audit, No: 51/NA, dated 22 July 2014
Law on Health Care, No: 09/NA, dated 09 Nov 2005
Law on Urban Planning, No: 03/99/NA, dated 03 April 1999
Law on Labour, No: 43/NA, dated 24 Dec 2013

Other materials

Cebu Declaration on the Acceleration of the Establishment of an Economic Community

Report of the working party on the accession of Lao PDR (WT/ACC/LAO/45)

Ministry of Planning and Investment, Population and Housing Census, 2005, Vientiane, Department of Statistics, Ministry of Planning and Investment

Movement of workers in ASEAN: Health Care and IT Sectors, REPSF Project No. 04/007, ASEAN/ANU

ADB. 2004. *Project Completion Report on the Postsecondary Education Rationalization Project (Loan No. 1374LAO[SF]) in the Lao People's Democratic Republic*. Manila

World bank report on the observance of standards and codes (rosc)
lao pdr accounting and auditing, January 7, 2009

46thAEM and Related Meetings were held from 25-28 August in Nay Pyi Taw, Myanmar

finalization of ASEAN Qualification Reference Framework (AQRF) which will provide a standard for cross-referencing among the different National Qualification Frameworks of AMs

ew ASEAN Mutual Recognition Arrangement (MRA) on Accountancy, which replaces the earlier framework agreement, has been finalized;

CPC Definitions in MRAs

Accountancy 862



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