



Authentic in Lao language only.

LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

---

Office of the Prime Minister

No. 474/PM  
Vientiane Capital, 18 November 2010

**DECREE**  
**on the Administration of Prices of Goods and Services**

- Pursuant to Law on the Government of Lao PDR No. 02/NA dated 06 May 2003;
- Pursuant to Law on the Protection of Consumers No. 02/NA dated 30 June 2010; and
- Pursuant to the proposal of the Minister of Industry and Commerce No. 1220/MOIC dated 01 June 2010.

**The Prime Minister Decrees:**

**Section 1**

**General Provisions**

**Article 1. Purpose**

This Decree determines the principles, rules and measures on price administration aiming at achieving price stability, and protecting lawful rights and interests of business operators and consumers, and State interests.

**Article 2. Price Administration**

Price administration is the administration of prices of goods and of services by the Price Administration Authorities in accordance with the principles and provisions set out under this Decree.

**Article 3. Definitions**

The terms used in this Decree shall have the following meanings:

- “Price” means remuneration in the form of money, in kind or other benefits for the sale of a good or service. Price consists of: state-administered price and price as determined by business operators;
- “Maximum price” means the maximum price of goods or services which business operator may charge for sales or services;
- “Minimum price” means the minimum price of goods or services which business operator may purchase goods or services;

- “Price bracket” means that range of prices of goods or services from the minimum to the maximum within which business operator may charge for sale or service;
- “Business operator” means any individual, entity or organisation whether domestic or foreign that produces, sells, buys for resale or imports for sale or services within the territory of the Lao PDR;
- “Production” means the act of making, mixing, processing, assembling, inventing, changing of conditions, transforming, modifying, selecting, separate filling, combined filling or any other act creating a good by any method, including act creating a trade name or trademark for a good whether by way of own production or sub-contracting;
- “Sale” means the sale, exchange, giving, distribution or transfer of ownership of a good to another person;
- “Goods” means the goods for consumption or use which may include documents showing ownership of goods;
- “Service” means the act of serving, lending, giving any asset in exchange of remuneration in the form of money or other benefits;
- “Consumer” means individual, entity or organisation who purchases or uses good or services for non-commercial purpose in accordance with law and regulation within the territory of the Lao PDR;
- “Price Administration Authorities” means governmental authorities which have the authority to implement the price administration;
- “Price control list” means the list of goods and services that the Price Administration Authorities issue from time to time in order to apply price control measures;
- “Price surveillance list” means the list of goods or services that the Price Administration Authorities issue from time to time in order to monitor the movement of prices;
- “Reserves” means stock or warehouse built in order to store goods which are under the price control list;
- “Subsidy” means the assistance from the State to business operators in a direct or indirect manner affecting the level of prices for the purpose of price administration;
- “Necessity” means the necessity for the price stabilization in order to protect the rights and interests of business operator, consumer and State interest.
- “Non-discrimination” means the principle of equal treatment with regard to price administration measures towards goods and services, whether domestic or foreign; and
- “Transparency” means the making of price administration measures to be clear and disclosed to the public.

#### **Article 4. The Principles of Price Administration**

Price administration shall comply with the following principles:

1. Prices within the Lao PDR are set by the market mechanism under regulation by the State.
2. The State shall respect the right to price setting and price competition by business operators in accordance with laws and regulations;

3. The State may apply measures to administer prices only in case of necessity, and shall adhere to non-discrimination and transparency principles.

**Article 5. Scope of Applicability**

This Decree applies to all business operators and Price Administration Authorities.

## **Section 2**

### **Price Administration**

**Article 6. Price Administration Measures**

In case of necessity, the Price Administration Authorities may apply two measures of price administration: price control and price surveillance.

Price control measures are:

1. Determining price components;
2. Determining maximum price, minimum price or price bracket;
3. Controlling goods [commodity] in reserves;
4. Subsidizing goods and services;
5. Adjusting the supply and demand.

The Ministry of Industry and Commerce, in coordination with relevant sectors, shall specify: (a) the list of price control and the list of price surveillance, (b) Price Administration Authority for each list, (c) price administration measures to be applied, and (e) the duration for the application of such measures.

**Article 7. Determination of Price Components**

Business operator, whose goods or services are under the list of price control, shall submit their price components to the Price Administration Authority for approval before using those price components for sale or service. The price components may be composed of: (a) the cost of production or cost of purchase for resale, (b) the cost of transportation, (c) the selling price, and (d) the profit margin.

The Price Administration Authority shall use information of price components obtained from business operators only for the purpose of determining price components.

**Article 8. Determination of the Maximum Price, Minimum Price and Price Bracket**

The Price Administration Authority may determine the maximum price, minimum price and price bracket of goods or services subject to the list of price

control. The determination of the maximum price, minimum price and price bracket may be based on the following factors:

1. Price components;
2. Demand and supply of goods and services;
3. Purchasing power within the country;
4. Prices in domestic and foreign markets; and
5. Socio-economic development policy in each period.

**Article 9. Control of Goods held in Reserves**

The Price Administration Authority may order business operator, whose goods are under the list of price control, to increase or decrease the quantity of goods held in reserves in order to prevent price manipulation.

Such business operator shall report the location, the quantity, and increase or decrease in his or her reserve to the Price Administration Authority.

**Article 10. Subsidies**

The Price Administration Authority may provide subsidies for goods which are under the list of price control. Details will be set out in a separate regulation.

**Article 11. Adjustments to Supply and Demand**

The Price Administration Authority may adjust the supply and demand of goods under the list of price control. Details will be set out in a separate regulation.

**Article 12. Price Surveillance**

The Price Administration Authority may use price surveillance to monitor the movement of prices, including displaying price labels by business operator.

### **Section 3**

#### **Implementation of Price Administration**

**Article 13. Price Administration Authorities**

The Price Administration Authorities are:

- Ministry of Industry and Commerce;
- Provincial and Vientiane Capital Industry and Commerce Departments;
- District Industry and Commerce Offices; and
- Other relevant sectors.

The Minister of Industry and Commerce shall establish a secretariat to assist in the direction and guidance for the implementation of price administration by assigning the Director General of the Internal Trade Department of the Ministry of Industry and Commerce as the head of such a secretariat.

**Article 14. Rights and Duties of Ministry of Industry and Commerce**

In implementing price administration, the Ministry of Industry and Commerce has the following rights and duties:

1. To prepare policy and measures on price administration;
2. To study and research on prices and business operations including propose project, programme and measures for price administration;
3. To specify regulation to implement price administration;
4. To supervise the provincial and Vientiane Capital Industry and Commerce Departments, district Industry and Commerce Offices, and relevant sectors on the implementation of price administration;
5. To implement the price administration in accordance with this Decree and other relevant regulations;
6. To disseminate and guide the implementation of this Decree and other relevant regulations;
7. To monitor the movement of prices and practices of business operators in relation to price administration;
8. To consider complaint by any persons affected by any damages or losses caused by any act affecting prices;
9. To penalise violators as set out in Article 26 of this Decree for goods being assigned as Price Administration Authority in the price control list;
10. To make summary, report and proposals to the Government in relation to the implementation work as set out in points 2, 3 and 7 of this Article;
11. To issue, notices, regulations, decisions and other regulations as assigned by the Government; and
12. To perform other rights and duties as set out in laws and regulations.

**Article 15. Rights and Duties of Provincial and Vientiane Capital Industry and Commerce Departments**

In implementing price administration, the Provincial and Vientiane Capital Industry and Commerce Departments shall have the following rights and duties within their respective jurisdictions:

1. To study and research on prices and business operations including propose project, programme and measures for price administration;
2. To supervise the district Industry and Commerce Offices and coordinate with other departments and relevant sectors in the implementation of price administration;
3. To implement the price administration in accordance with this Decree and other relevant regulations as assigned by the Ministry of Industry and Commerce;
4. To disseminate and guide the implementation of this Decree and other relevant regulations;
5. To monitor the movement of prices and practices of business operators in relation to price administration;
6. To consider complaint by any persons affected by any damages or losses caused by any act affecting prices;

7. To penalise violators as set out in Article 26 of this Decree for goods being assigned as Price Administration Authority in the price control list;
8. To make summary, report and proposals in relation to the implementation work as set out in points 1, 2, 5 and 6 of this Article to the Ministry of Industry and Commerce and to relevant provincial authority; and
9. To perform other rights and duties as set out in laws and regulations.

**Article 16. Rights and Duties of District Industry and Commerce Offices**

In implementing price administration, the district Industry and Commerce Offices shall have the following rights and duties within their respective jurisdictions:

1. To study and research on prices and business operations including propose project, programme and measures for price administration;
2. To supervise their Industry and Commerce units and coordinate with relevant Departments and other relevant sectors in the implementation of price administration;
3. To implement the price administration in accordance with this Decree and other relevant regulations as assigned by the Provincial and Vientiane Capital Industry and Commerce Departments;
4. To disseminate and guide the implementation of this Decree and other relevant regulations;
5. To monitor the movement of prices and practices of business operators in relation to price administration;
6. To consider complaint by any persons affected by any damages or losses caused by any act affecting prices;
7. To penalise violators as set out in Article 26 of this Decree for goods being assigned as Price Administration Authority in the price control list;
8. To make summary, report and proposals in relation to the implementation work as set out in points 1, 2, 5 and 6 of this Article to Provincial and Vientiane Capital Industry and Commerce Department and relevant provincial and district authority; and
9. To perform other rights and duties as set out in laws and regulations.

**Article 17. Rights and Duties of Other Sectors as Price Administration Authority**

In implementing price administration, other relevant sectors which are assigned under the list of price control as the Price Administration Authority have the rights and duties as follows:

1. To study and research on prices and business operations including propose project, programme and measures for price administration;
2. To cooperate and assist the industrial and commercial sector in the implementation of the rights and duties of such a sector as set out in this Decree;
3. To specify regulation for the implementation of price administration;
4. To implement the price administration in accordance with this Decree and other relevant regulations;

5. To disseminate and guide the implementation of this Decree and other relevant regulations;
6. To monitor the movement of prices and practices of business operators in relation to price administration;
7. To consider complaint by any persons affected by any damages or losses caused by any act affecting prices;
8. To penalise violators as set out in Article 26 of this Decree for goods being assigned as Price Administration Authority in the price control list;
9. To make summary, report and proposals in relation to the implementation work as set out in points 1, 3, 6 and 7 of this Article to the Government;
10. To issue notices, regulations, decisions and other regulations as assigned by the Government; and
11. To perform other rights and duties as set out in laws and regulations.

## **Section 4**

### **Rights and Obligations of Business Operators**

#### **Article 18. Rights of Business Operators**

Business operators shall have the following rights:

1. To set prices in accordance with the market mechanism, except for goods and services subject to the list of price control;
2. To file complaint against any officials for their non-compliance with laws or regulations;
3. To exercise other rights as set out in laws and regulations.

#### **Article 19. Obligations of Business Operators**

Business operators shall have the following obligations:

1. To provide quarterly, semi-annual and annual reports on their goods or services which are under the price control list to the relevant Price Administration Authority;
2. To comply with price administration measures as set out in this Decree and as used by the Price Administration Authority from time to time;
3. To affix price labels to all goods or services whether or not they are under the price control list. Price labels of goods and services may be displayed in shops, places of sale or service. The price labels shall be clear and not confusing for customers;
4. To facilitate officials in the implementation of their duties; and
5. To perform other obligations as set out in laws and regulations.

## **Section 5**

### **Prohibitions**

#### **Article 20. Prohibitions for Officials**

In their duties, officials are prohibited from:

1. Abusing their power, position or duties for benefits;
2. Exceeding power by way of forcing and threatening such as the use of violence, weapons, torture, rude behaviours or words;
3. Abandoning duties and avoid activities of their work;
4. Omitting, neglecting, being irresponsible or lying;
5. Hiding, protecting, concealing or abetting any offender in exchange for a bribe or any other advantage;
6. Revealing secrets without consent of business operators for purposes other than for the price administration; or
7. Engaging in any other illegal activities.

**Article 21. Prohibitions for Business Operators**

Business operators are prohibited from:

1. Intentionally engaging in any act which makes prices too high or too low or causes social unrest;
2. Hoarding any goods on the price control list by reserving those goods more than that allowed by the Price Administration Authority;
3. Keeping goods in warehouses other than that reported to the Price Administration Authority;
4. Selling goods which are under the price control list without the permission of the Price Administration Authority; or
5. Unreasonably stopping, refusing or delaying the sale of goods or services when such sale has been ordered by the Price Administration Authority;

## **Section 6**

### **Policy towards a Person with an Outstanding Performance and Measures Against Violators**

**Article 22. Policy towards Person with an Outstanding Performance**

Business operator who has performed well in the implementation of this Decree by running his/her business legally, and cooperating with and providing clear and timely information in respect of prices shall receive a certificate of merit or other reward as deemed appropriate.

**Article 23. Measures against Violators**

Business operator who violates this Decree will be educated, disciplined, fined, subjected to civil claim or prosecution depending on the seriousness of the offence.

**Article 24. Education Measures**



Business operator who violates this Decree will be warned and educated.

**Article 25. Disciplinary Measures**

Officials who violate this Decree will be subject to disciplinary measures as set out in relevant laws and regulations governing them.

**Article 26. Measures for Fines**

Business operator who violates this Decree provided that such an offence is not a criminal offence and who has already been warned and educated twice shall be fined depending on the case. The fines shall be as follows:

1. between 500,000 to 1,000,000 kip per time per item for failing to display price labels;
2. between 1,000,000 to 3,000,000 kip per time per item for providing untrue information in respect of price components or reserves;
3. between 1,000,000 to 3,000,000 kip per time per item for failing to report price components;
4. between 1,000,000 to 3,000,000 kip per time per item for selling goods in reserves without permission from the Price Administration Authority;
5. between 1,000,000 to 3,000,000 kip per time per item for unreasonably stopping, refusing or delaying the sale of goods or services when such sale has been ordered by the Price Administration Authority; and
6. between 1,000,000 to 5,000,000 kip per time per item for using price components without the permission from the Price Administration Authority.

**Article 27. Civil and Criminal Measures**

The civil and criminal measures shall be based on relevant laws and regulations.

**Article 28. Additional Sanction Measures**

Business operator who violates of this Decree may be subjected to additional sanctions such as: suspension or withdrawal of enterprise registration certificate, licences or seizure of assets in accordance with relevant laws and regulations.

## **Section 7**

### **Final Provisions**

**Article 29. Implementation**

The Price Administration Authorities shall implement this Decree effectively.

Ministries, ministerial equivalent organisations and local authorities shall acknowledge and cooperate in the implementation of this Decree in strict accordance with their roles.

**Article 30. Effectiveness**

This Decree replaces the Decree on the Administration of Prices of Goods No. 207/PM dated 11 October 2001 and shall come into force ninety days from its date of signature.

Any regulations which contradict this Decree are hereby repealed.

The Prime Minister of the Lao PDR

[Signed and sealed]

Bouasone Bouphavanh