

## CUSTOMS LAW

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**LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**PEACE                      INDEPENDENCE                      DEMOCRACY                      UNITY                      PROSPERITY**

National Assembly

No. 4/94/NA

**CUSTOMS LAW**

Part I

General Principles

Chapter 1

General Provisions

Article 1

The taxation law provides rules and principles on the import, export and circulation of commodities within the Lao PDR in view of protecting, encouraging the local production of commodities and services, promoting investments and external co-operation, promoting export, ensuring state budget revenues and contributing to the national economic development.

Article 2

Within the customs territory which covers the total territorial integrity of the Lao PDR, all persons, organizations and economic sectors without differentiation of nationality, shall strictly comply with the Lao customs laws and regulations, including the international customs treaties entered by or acknowledged by the Government of the Lao PDR.

Article 3

Universal duties shall be paid for goods exported out of or imported into the Lao PDR according to the rules and principles as provided in the tariff code adopted by the National Assembly, except in case of goods categorized under the regime of duty suspension or exemption. The provided tax rates may not be increased or reduced in any way.

All types of exported, imported or circulated goods within the country shall be controlled by customs officers, except in cases provided in Articles 57 and 59 of this Law.

Article 4

In necessary and urgent cases for the preservation of the interest and in conformity with the periodical national economic conditions, the President of the Republic may issue decrees on duty rates for certain categories of goods or modify ad valorem duties as provided in the Tariff Code into a definite duty rate and determine an area as duty free zone.

Article 5

Each issued customs provision and regulation shall be binding thirty days from the day it is published in the Official Gazette.

Chapter II  
Types of Goods and Country of Origin

Article 6

All types of export or import goods shall be declared according to the code number and type of goods provided in the Tariff Code.

Article 7

Regarding certain types of import or export goods, the President of the Republic will issue a decree on special duty rates for countries with which there is reciprocity. The determination of special duty rates could be based on the goods' country of origin. The country of origin of goods is the country harvesting, exploiting or producing such goods.

Chapter III  
Value of Goods,  
Prohibited Goods

Article 8

The declared export value is the actual value of goods delivered to the customs border station at the point export exclusive of customs duties.

Article 9

The declared import value is the actual value of delivered goods to the Lao border inclusive of the goods' value and others costs, such as: insurance and transport costs at which buyers and sellers have agreed to transact.

Article 10

During customs declarations, declares shall attach original invoices at the point of departure to the detailed customs declarations on forms to certify the actual value.

Article 11

Prohibited goods are goods prohibited by the State from export or import, or goods categorized in limited quantity, under regulations on quality, packaging or other specific regulations.

Part II  
Declaration of Goods

Article 12

Export goods shall be accompanied with a bill of loading, a detailed customs declaration form and shall be controlled by customs officers.

Article 13

Goods imported through land border shall be transported along routes determined by the authorities and declared to the nearest customs office or station. It is forbidden to use other routes, to store goods in a building or to run through the station. Any violation will be considered as voluntary tax evasion.

At the Arrival to the customs station, imports shall present bills of loading as temporary declarations to the customs officers for registration of warehouse entry and proceed to detailed customs declarations according to Article 16 of this Law.

Article 14

Goods transported by air shall be accompanied with airway bills certified by airline officers. At the landing to the point of entry airport, airline officers shall present such airway bills to the airport customs for registration of warehouse entry and detailed customs declarations.

Aircraft flying international routes shall land in airports specified by the authorities, except in case of emergency.

Article 15

All types of import commodities by boat on international rivers shall be accompanied with shipping documents. Such documents shall be certified by the ship's owners and shall contain all information as required in the forms. Crafts sailing on international rivers, whether transporting shipments or not, shall only stop at ports where customs stations are established. The crafts' owners shall immediately declare the shipment to the customs officers after the crafts' arrival or before its departure.

Part III  
Detailed Customs Declarations  
And Payment of Customs Duties

Chapter I  
Detailed Customs Declaration

Article 16

All types of export or import goods shall be declared in detail and according to the Tariff Code even if duty exempted.

Article 17

Detailed declarations shall be handed over to the customs station within ten days from the registration of warehouse entry exclusive of public holidays. If such period is exceeded, the goods will fall under specific customs supervision. In case of deteriorated or perishable goods difficult or inadequate for storage, the customs authorities shall sell such commodities through tenders and preserve the proceeds pending payment.

Article 18

Both import and export commodities shall be declared in detail by their owners or representatives in possession of a power of attorney in writing or by the customs declaration servicing party.

Detailed declarations shall mention each packing unit, and several packing units may not be grouped as one.

In case the customs declarer ignores the goods' details to be filled in a detailed declaration form, the customs declarer shall be authorized to inspect the goods beforehand.

Article 19

The customs declaration servicing party conducts the business of performing detailed tax declarations on behalf of the goods' owners or transporters.

The Ministry of Finance shall issue detailed regulations on customs declaration services.

Article 20

Detailed customs declarations shall be made in writing and clearly mention all data necessary for the implementation of the customs regulations and statistics gathering.

Detailed customs declarations shall be signed by the declarers.

Article 21

Detailed customs declarations which customs officers registered shall not change.

Chapter II

Inspection of Goods, Computation, Payment of Customs Duties,  
And Removal of Goods from the Custom-House.

Article 22

As the detailed customs declarations are registered, customs officers shall proceed to the inspection of the goods in totality or in part as seen appropriate.

In case of differences on the result of partial inspection of goods, declarers may request customs officers to inspect the goods in totality.

Inspection of goods at the custom-house shall take place at the warehouse or in the warehouse compound or in other premises as specified by the customs authorities.

Transportation, handling and other necessary costs according to the laws and regulations incurred for the inspection of goods, shall belong by the declarers.

Article 23

Inspection of goods shall always take place in the presence of the declarers.

In case of difference between customs officers and declarers on information provided in detailed customs declarations, such as on the type, code number, country of origin of goods, customs officers shall forward the matter of difference to the investigation committee appointed by specific regulations for decision.

In case of difference regarding prices, and if the investigation committee has determined the commodities prices, but the declarers still refuse to comply, the customs authorities may purchase such goods at the declared price with an additional compensation of fifteen percent of the declared value. At the purchase of the goods, the difference will be resolved.

Article 24

Customs duties shall be computed at the applicable rate on the day the detailed customs declarations are registered at absolute numbers. Customs duties shall be paid in cash for which receipts shall be given to the customs duty payer.

Article 25

After proper inspection, goods may be removed from the warehouse only when customs duties are paid. In necessary cases, the customs authorities may authorize to remove certain types and inspected goods from the warehouse before payment of customs duties, but a guarantee shall be made for the payment of customs duty in due time as specified by the customs officers which shall not exceed seven days.

Import goods, for which authorization has been given for removal, shall be removed immediately.

Article 26

Export goods, at the presentation of proper documentation and inspection by customs officers, shall be immediately exported.

Article 27

Detailed customs declarations are subject to review by customs authorities within three years from the day of their registration. If irregularities are observed in the customs declaration to the actual facts as supported by evidence in the possession of customs officers, the declarer shall be liable for the offence as provided in this law on the charge of voluntarily impacting on customs duties.

Part IV  
Guarantee, Customs Duty Suspension, Temporary Import  
And Export and Specific Regimes for Certain Types of Goods

Chapter 1  
Removal of Guaranteed Goods

Article 28

The transportation of customs controlled goods by land, water and air from one place to another within the customs territory shall be accompanied by guaranteed goods removal permits.

The removal of such goods may be guaranteed by a deposit of equal value to the customs duties or may be guaranteed by a reliable financial institution or legal entity or individual. The removal of prohibited goods shall be accompanied by specific permits issued by the authoritative state agencies.

Article 29

Importers or transporters shall strictly comply with all wordings contained in the guaranteed goods removal permits. Transporters shall present such removal permits to the customs officers along used routes.

Article 30

As goods are delivered to the specified point of destination, transporters shall immediately present removal permits and guaranteed goods to the customs office for detailed customs declaration according to the customs regime. Inspection of goods shall proceed according to the rules and principles applicable at the point of destination. If the customs duty remains payable, the customs office at point of destination shall collect such customs duty in totality and proceed similarly to import goods for local consumption, except if such goods are categorized under other customs regimes.

Article 31

As customs officers certify that the specified conditions have been fully and properly implemented, the agreement contained in the guaranteed goods removal permits shall expire. In case of cash guaranteed, such guarantee shall be reimbursed to the owner.

Chapter 2  
Transportation Through Foreign Territory  
And Goods in Transit

Article 32

In necessary cases, locally produced goods and import duty paid goods according to the rules and principles may be removed from one place to another within the Lao PDR through foreign territory. Such goods will be exempted from export duty, and from exit and entry restriction rules.

The transportation of such goods shall be accompanied with guaranteed goods circulation permits. If such goods do not belong to the category of goods prohibited from export or exempted from export duty, their transportation may be authorized by normal circulation permits.

#### Article 33

Transported commodities from abroad under the transit regime through the Lao PDR to a third country shall be accompanied with guaranteed transit goods permits issued by the customs at the point of departure and will be exempted from customs duties according to specific regulations. Owners or transporters of transit goods shall present guaranteed transit goods transport permits to customs officers along used routes and the border customs at the point of export.

The guarantee agreement contained in the guaranteed transit goods transport documents shall expire only when certified by border customs officers at the point of export that such goods have exited from the Lao PDR. Guarantee agreements shall be terminated specifically for the actual quantities and types of goods exported from the Lao territory only.

### Chapter 3 Warehouse System

#### Article 34

The warehouse regime is a regime for the storage of locally produced or import goods which are to be exported by business operators or locally consumed, for a definite period of time with customs duty suspension and under the control of the customs authorities pending the implementation of the customs regime.

Warehouses included in the warehouse regime includes 4 categories:

- Real warehouse,
- Special warehouse,
- Fictive-warehouse,
- Industrial warehouse,

Businessmen shall be authorized to use the warehouse regime according to conditions outlined by Government.

The Minister of Finance shall authorize the establishment of a warehouse regime, and outline regulations on warehouse construction sites, their organization, the use, the supervision and the determination of the storage period for each type of goods.

#### Article 35

Real warehouses store general goods pending their removal from the warehouse according to the customs regime and under the supervision of the customs authorities.

Article 36

Special warehouses store the following types of goods:

- Live animals,
- Goods under restriction of entry or under special supervision,
- Goods hazardous to health, lacking sanitation or hazardous to the environment.

In addition to the above-mentioned goods, the Minister of Finance will determine separately other types of goods.

Article 37

Fictive-warehouses are duty free shops under contract for sale of goods to outgoing travelers and according to specific regulations.

Article 38

Industrial warehouses store goods imported by enterprises for assembly, improvement, processing or repair and then re-exported within a definite period of time.

Article 39

Goods restricted from entry and transit through the Lao PDR may be stored in any above warehouse but shall be exported within a definite period of time.

Customs authorities are entitled to prohibit the storage of certain goods in warehouses if such commodities are seen as detrimental to health, the environment and warehouse operations.

Article 40

Customs officers are entitled to control the inventory and goods in warehouses at any time if deemed necessary.

In cases it is proven by customs officers that stored goods are missing or do not confirm to the initial declaration, the warehouse owner shall be responsible for the payment of duty at the applicable rate on the day the loss is observed and for other liabilities according to the laws and regulations.

Article 41

The removal of goods from one warehouse to another, to the custom-house or re-exported shall be accompanied with a guaranteed goods removal permit.

Article 42

In case it is required to remove goods stored in warehouse under duty holiday regime for domestic consumption, the owner of such goods shall pay duties at the applicable rate on the day the detailed duty declaration for consumption is registered.

## Chapter 4 Temporary Importation and Exportation

### Article 43

Goods classified under the regime of temporary importation include:

- Imported goods for any purpose then re-exported in the original quantity and condition,
- Imported goods for processing, assembly into finished products, improvement and repair, then re-exported,
- Goods classified under the temporary import regime will be exempted from duty at their importation and re-exportation according to outlined regulations and principles.

### Article 44

For the temporary importation of goods, importers shall sign a contract in the temporary import declaration whereas such goods shall be re-exported or entered in the warehouse system or in the duty free zone pending their re-export and shall fully comply to the conditions provided by the law and regulations on temporary importation.

### Article 45

Customs duty shall be paid for remains from processing improved or finished products not corresponding to the required conditions for re-export which shall be used or sold within the country.

### Article 46

The customs authorities shall outline conditions for temporary export of goods for improvement or addition. At the re-import, customs duty shall be paid on the basis of the improvement's value.

## Chapter 5 Temporary Import and Export of Personal Belongings

### Article 47

The people temporarily entering the Lao PDR with non-prohibited personal belongings shall be exempted from customs duties provided such goods are re-exported within the authorized period of stay in the Lao PDR as provided in guaranteed declarations. Details will be separately provided.

### Article 48

The people temporarily exiting from the Lao PDR may temporarily take their personal belongings without paying customs duties.

For temporary export, exporters shall declare such personal belongings in forms provided by the customs authorities.

#### Article 49

Regarding certain prohibited personal belongings, exporters shall be authorized to export before their departure only when approved by the authoritative state agencies and as a third person guarantees that such belongings shall return in their original number and conditions.

In case exported belongings are not re-imported, exporters or guarantors shall be liable before the Laws.

### Chapter 6

#### Specific Regime for Certain Types of Goods

#### Article 50

The Customs radius is the customs officers' control area, which covers up to thirty kilometers from the border into the customs territory. However, in view of ensuring control and the restriction of illicit trafficking, the customs radius may be extended as approved by the Government.

Any circulation of goods within the customs radius shall be accompanied with goods circulation permits issued by the customs authorities.

#### Article 51

Within the customs radius, as well within the customs territory, no family shall be allowed to store, retain or possess goods in excess to the family's need, except if a family is in possession of documents certifying their lawful acquisition.

### Part V

#### Retention of Goods Under The Customs' Specific Management

### Chapter 1

#### Goods Kept Under the Customs' Specific Management

#### Article 52

Goods to be kept under the customs' specific management:

- Goods, which have not been declared in detail in due, time as provided under Article 17 of this Law.
- Goods remaining in warehouses for other reasons.

The above-mentioned goods shall be recorded in a specific customs register. Warehouse fees, deterioration and loss shall remain under the responsibility of the commodities' owners.

Customs officers are entitled to open containers subject to the customs' specific management in the presence of their owners or of three witnesses who do not belong to the customs authorities. If such goods do not have any sale value, the customs authorities may destroy them according to the regulations

Article 53

As goods are recorded in specific customs registers their owners are entitled to claim them back within four months but shall:

- Pay fines as provided in Article 90 of this Law in the case of goods intended for exportation, entry in the warehouse system or in the duty free zone.
- Pay duties and fines as provided in Article 90 of this Law for import goods intended for local consumption.

Chapter 2

Confiscation of Goods Placed

Under the Customs' Specific Management

Article 54

Goods placed under the custom' specific management which are degraded, rapidly deteriorable, causing storage difficulties or inappropriate for storage, may be immediately sold according to Article 17. Fines according to Article 90 of this Law, as well as duties and other expenses shall be deducted from the proceeds of such sale. The remaining sum shall be preserved by the customs authorities for the commodities' owner for a period of four months from the day the goods are entered in the customs' specific register. If such period is exceeded, the sum shall be remitted to the state budget.

Article 55

Goods kept under the customs' specific management in excess of four months without any claim from their owners shall be confiscated by the customs authorities as state property and sold according to regulations provided in Article 17 of this Law. Such sold goods shall not include duties. The sale proceeds after deduction of lawful expenses shall be to the state budget.

Part VI

Import Duty Exemption and Diplomatic Privileges

Article 56

Imported materials or belongings exempted from import duty include:

- Certain types of food for travelers;
- Certain family implements when changing residence;
- Certain type of materials obtained from inheritance;
- Belongings and presents of government delegations returning from abroad;
- Certain types and quantity of personal belongings of Lao students, pupils, civil servants and diplomats imported after termination of studies, training or civil service abroad;
- Necessary devices for education and materials imported for non-commercial experimental production;
- Fuel remaining in tanks of motor vehicles;
- Fuel for international flights by Lao and foreign aeroplanes on the basis of agreement or mutual compensation;

- Non-saleable samples;
- Presents, assistance materials, loans or debt servicing by the Government;
- Humanitarian assistance materials;
- Specific defense and police equipment. Certain types of necessary religious items based on the concerned state agency's approval.

#### Article 57

Personal belongings of foreign diplomats and staff of international organizations enjoying diplomatic privileges; belongings of embassies and international organizations appointed to the Lao PDR on the basis of approval from the Lao Ministry of Foreign Affairs, accompanying items of high level foreign delegations invited by the Government, shall be duty exempted or suspended on the basis on mutual compensation. In case of firm suspicion, customs officers may inspect such goods in the presence of their owners or authorized representatives, representatives from the Ministry of Foreign Affairs and representatives of the concerned state.

Personal belongings of foreign governmental agencies, international organizations and foreign non-governmental organizations shall comply with the agreements signed between the Lao Government and the concerned organizations.

#### Article 58

Types and quantity of goods to be duty exempted or suspended shall be governed by separate regulations.

#### Article 59

In case of reliable information and if it may be firmly certified that diplomatic pouches contain prohibited items, statements shall be immediately sent back in co-ordination with representatives of the Ministry of Foreign Affairs and the relevant embassy staff.

### Part VII Duty Free Zone

#### Article 60

A duty free zone is an area where goods shall be suspended from customs duty and are not subject to regular control from customs authorities.

The creation of duty free zones shall be approved by the National Assembly on the Government's proposal. Regulations on duty free zones shall be outlined by the Government.

Part VIII  
The Use of Boats for the Transportation  
Of Passengers of Shipments Along Border Rivers

Article 61

Any craft which owner resides in Laos and conducts the business of transporting passengers or shipments along border rivers shall be properly registered according to the laws and regulations.

Such crafts shall stop at ports with customs or where the customs are located, except in case of emergency; before loading or unloading the commodities, the craft owner shall present the ship log and shipping documents to the customs officers for control.

Before departing or after accosting the port or in case of an inspection on board, the ship log and shipping documents shall be presented to customs officers for control whether containing shipments or not.

In case of sale, transfer, cession of the craft, or in case of change to the features of the craft or cessation of navigation, the craft's owner shall notify customs officers and relevant agencies where the craft is registered, within twenty days from such change.

Part IX  
Prosecution

Chapter 1  
Ascertainment Of Customs Regulations Violation

Article 62

As violations to the customs law and regulations are ascertained, customs officers are entitled to seize goods and vehicles, including relevant documents as evidence for prosecution, and other officers and all citizens have the obligation to co-operate with customs officers.

In case of flagrant offence, customs officers are entitled to incarcerate the offender, while other officers and all citizens are entitled to seize goods and arrest offenders. Arrests shall comply with the conditions provided in the Law on Criminal Procedures.

Seized goods, vehicles and documents, together with the incarcerated individuals shall be immediately sent to the closest customs office for the establishment of an official statement and prosecution. After investigation and the establishment of a statement, if the offender is guilty of a criminal action, the customs authorities shall hand over the offender to the police for prosecution. Customs authorities shall conduct procedures in relation with goods according to the customs law.

In case goods are seized on board of a ship, the statement may be made at such place.

If seized goods and vehicles may not be immediately handed over to the customs office, they shall be left with the local administrative authorities or local armed forces, but statements shall have been made as evidence.

### Article 63

Statements shall be immediately established by at least two customs officers.

Such statements shall clearly mention the name, surname, grade, position, duty and assignment posts of customs officers and persons ascertaining the offence, including the name, surname, age nationality, occupation, address of the offenders, the date, time and place the offence has been ascertained and reasons for arrest. Regarding seized goods and documents, their types, quantity, weight, quality and other necessary details shall be clearly mentioned, as well as the reasons for their seizure. In addition, statements shall mention the offences and measures to the imposed upon the offender, including the offender's opinion.

Statements shall be established in the presence of and read by the offender. In case the offender may not read, a third person will read the statement to the offender who will then sign or appease his thumb print on the statement together with customs officers.

Mention shall be made whether the offender refuses to sign or appease his thumbprint. Statements shall be made in 2 copies, one copy to be kept in the files and another copy to be handed over to the offender.

In case no offender may be found, the established statement shall be placed before the customs office, post or in public places for twenty four hours at the latest to notify owners to claim their goods within twenty one days from the day the announcement is made. If such period of time is exceeded, the goods will be forfeited.

### Article 64

Statements of customs procedures shall be effective until proof of the contrary. The court may consider a statement invalid when established inconsistently with the laws and regulations.

Customs statements, including transactions shall be exempted from stamps and court fees.

### Article 65

Commodities and vehicles seized as evidence shall be preserved by customs officers. Responsibility for any damage or loss to such goods shall be taken by the preserving party according to the law.

Putrefied and rapidly degradable goods shall be sold by customs officers according to the regulations as provided in Article 17 of this Law.

The proceeds from sale shall be preserved by customs officers until the lawsuit is terminated.

In case of non prohibited goods, customs authorities shall authorize the owners to take possession of seized goods and vehicles on a temporary basis pending the procedure's termination, but a guarantee of the commodities' and vehicles' value shall be deposited or such guarantee may be made by a reliable person.

Article 66

In case of fines, confiscation of goods or sale of confiscated goods after the lawsuit, civil servants or citizens having contributed to such activity, shall be congratulated by the Government or be given bonuses which will be governed by separate regulations outlined by the Government.

Chapter 2  
Transaction

Article 67

Customs authorities are entitled to solve customs lawsuits at the offender's agreement to transact.

Article 68

In case the offender agrees to pay duties and fines as provided in the customs statement, customs officers shall establish a statement of transaction which will clearly provide the offender's transaction.

Duties and fines shall be immediately payable. In case immediate payment is not feasible, payment shall be made within fifteen days at the latest from the day the statement of transaction is made. After payment, non-prohibited goods and transport vehicles and materials used for concealment shall be returned to their owners.

Chapter 3  
Procedures

Article 69

Customs authorities shall be entitled to induce procedures against offenders in the following cases:

1. No transaction for the payment of duties and fines;
2. Failure to comply with the statement of transaction;
3. Unknown identity of seized goods' and vehicles' owners;
4. Severe offence belonging to general criminal offences.

Article 70

To induce procedures, customs authorities shall present a file to the authoritative people's prosecutor for the pursuance of procedures. Such file shall be presented in the form of an application, providing a summary of the offence, accusations, violated articles and purpose of the procedure to which the statement and other necessary documents shall be attached.

Article 71

During the performance of their duties, any call for assistance from customs officers shall be answered by the various agencies and armed forces.

Article 72

The prescription of a customs lawsuit shall comply with the Criminal Law

Article 73

Customs authorities shall be entitled to withdraw their lawsuit before the court's final decision.

Article 74

Any claim against the customs authorities regarding suspicious paid duties and fines and review of customs documents may be made within one year from the goods' seizure or from the registration of the lawsuit the payment of duties and fines.

Article 75

The execution of a customs lawsuit's decision shall be co-ordinated between the court executor and customs officers.

Article 76

Procedures against customs infractions shall not only be liable to customs procedures, but also to other procedures depending on the nature of the case.

Article 77

Customs authorities shall refuse to hand over the seized evidence to prosecuted persons, if the decision is not yet definitive, except if such person has placed assets as collateral according to the regulations.

Chapter 4  
Responsibilities and Joint Responsibility

Article 78

Persons possessing illicit goods or vehicles shall be considered responsible for such goods or vehicles.

Article 79

Drivers of land, water or air transport vehicles may have customs and criminal liabilities. However, drivers of transport vehicles may have criminal liabilities only if transgressions to the Customs Law occur from their own acts.

Article 80

Customs declarers shall be responsible for irregularities in the declaration of goods to the customs authorities.

Article 81

In the performance of customs declaration business, customs declaration servicing party may have disciplinary, civil, servicing or criminal liabilities depending on the nature of such party's offences.

Article 82

Those having entered agreements with the customs authorities shall strictly comply with such agreements.

Article 83

Collusion in customs infractions shall be subject to the conditions pertaining to collusion in criminal offence.

Article 84

Customs authorities shall be responsible for customs officers' acts during the performance of assigned duties, as provided in Article 10 of the Contract Law.

In case of improper seizure of goods, their owners shall be entitled to claim compensations according to the laws and regulations from the day of seizure until restitution.

Article 85

Owners of goods shall have civil liabilities on behalf of workers performing activities on their orders regarding customs declarations, duty payments and other fees according to the laws and regulations, including seized goods.

Article 86

Guarantors shall be responsible for the payment of customs duties and other fees according to the laws and regulations for which the guaranteed person is liable.

Article 87

Penalized persons for collusion in customs offences shall be responsible according to the state of offence and shall be jointly responsible for the payment of customs duties and other fees according to the laws and regulations and for the seized goods.

Part X  
Sanctions Against Customs Offences

Chapter 1  
Classification of Customs Offences

Article 88

Customs offences are classified in two categories: three degrees of minor offences and two degrees of major offences.

Article 89

Minor offences at the first degree include:

- Delayed detailed customs declaration;
- Inaccurate and incomplete declaration without impact on customs duties and on prohibition measures;

- Concealment, hindrance and refusal to present the necessary documents to customs officers as provided in Article 104 of this Law;
- Disturbance, hindrance to the performance of customs officers' duties;
- Other offences not classified under other categories.

Any persons guilty of minor offences at the first degree shall be fined no less than ten thousand kip and no more than one hundred thousand kip.

#### Article 90

Minor offences at the second degree include:

- Declaration of goods or containers in excess or less than the actual number;
- Declaration of goods or containers under the regime of customs duty suspension in excess or less than the actual number;
- Goods less or in excess to the actual quantity and failure to declare the numbers of goods under the warehouse system;
- Other infractions not classified under other categories.

Any persons guilty of minor offences at the second degree shall be considered as responsible for customs evasion in view of reducing or avoiding payment of customs duty and shall pay customs duties and other fees in totality according to the laws and regulations together with fines equaling the evaded duties. At the second offence, the fines shall be equal to two fold the payable customs duties.

Seized non-prohibited goods and materials used for concealment and vehicles used in the offence shall be restituted to their owners after payment of customs duties and fines in totality.

#### Article 91

- Minor offences at the third degree includes:
- Third minor offence at the second degree;
- Import or export of non-prohibited goods into or out from the Lao PDR without detailed customs declarations;
- Inaccurate data declaration influencing customs duties;
- Voluntary false declaration of the name of the freight forwarder at the point of departure and name of the actual freight receiver at the point of destination;
- Inaccurate declaration for the purpose of receiving customs duty exemption;
- Concealment of non-prohibited goods to elsewhere which does not enjoy privilege for the consumption of such goods;
- Presentation of several units or containers grouped as one unit or container to customs officers,
- Concealment of goods through the use of vehicles or materials for custom evasion.

Persons guilty of customs offences at the third degree shall pay duties if such duty has not yet been paid and other fees in totality according to the laws and regulations, together with fines equaling two fold the evaded duties. At the second offence, the fine shall be equal to three-fold.

Seized non-prohibited commodities and materials used for concealment and vehicles used in the offence shall be restituted to their owners after full payment of duties and fines.

In case of repeated offences over two times, the offender shall be subjected to court procedures.

#### Article 92

Major offences at the first degree include the export or import, removal, possession of prohibited commodities without proper authorization.

Any person committing major offences at the first degree shall be subject to a lawsuit and fined two fold the goods' value while the illicit goods shall be confiscated in totality, including materials and vehicles used in the offence.

#### Article 93

Major offences at the second degree include the smuggled export or import, circulation or possession of prohibited goods jointly by a collective organization.

Any person guilty of major offences at the second degree will be subject to a lawsuit and fined three fold the goods' value, while the illicit goods shall be confiscated in totality, including materials and vehicles used in the offence.

#### Article 94

As customs officers discover illicit goods belonging to a general criminal case, such as: weapons, opium, heroin or other narcotics, or if customs officers are offended, hindered, threatened or subjected to physical injuries, the customs authorities shall induce an initial lawsuit, then hand over the court file, the defendant and the evidence to the investigation police and establish a file for presentation to the prosecutor.

### Chapter 2

#### Certain Additional Penalties for Customs Offences

#### Article 95

In addition to the main offences as mentioned in Article 89 to 94 above, goods shall be seized in the following cases:

- Substituted goods or goods to be substitutes under the duty suspension regime;
- Substitution or withdrawal of goods during international transportation;
- Import or export of goods without passing through the border customs office;
- Replacement, withdrawal of goods placed under the customs supervision.

#### Article 96

If the court decides on penalties on the charge of transgression to the customs suspension regime, the offender shall not be authorized to temporarily import or export the goods, nor to send goods across the border, nor to store the goods in the warehouse.

Persons allowing offenders to use their names for the purpose of evading the above penalties shall be liable to receive equal penalty.

Article 97

If goods which should be confiscated, are seized or not, but if there is sufficient evidence, the customs authorities may request the court to decide their confiscation in cash.

Article 98

In case of offences belonging to several categories, either minor or major, additional penalty shall be decided in favor of the Government depending on the nature of the offence.

Part XI

Organization and Activities of the Customs Authorities

Chapter 1

Organization

Article 99

The customs authorities is an organization under the management of the Ministry of Finance with the following organizational structure:

- Department of Customs and Divisions;
- Customs offices in provinces the municipality and special zones;
- Border customs;
- Customs control posts;
- Mobile customs control units.
- The organizational chart, work methods, insignias and uniforms of customs, identity card shall be governed by specific regulations outlined by the Government.

Chapter 2

Scope of Activities of the Customs Authorities

Article 100

Regular activities of the customs authorities are conducted within the customs radius. In certain necessary cases, as provided in Article 102 of this Law, customs officers may operate outside the customs radius.

Chapter 3

Criteria, Rights and Duties of Customs Officers

Article 101

All customs officers shall be qualified, have a clean personal history, be honest, organization conscious, disciplined, skilled and capable in customs and laws and be in good health.

Article 102

In view of discovering smuggled goods, customs officers shall have the following rights:

- Physical search, search of goods, vehicles, identity cards or travel permits of individuals whether during the day time or at night time within and outside the customs radius in case of suspicion;
- Order drivers of vehicles to stop for search in case of suspicion;
- Use appropriate methods and necessary tools provided by the authorities to forcibly stop vehicles in case drivers refuse to comply;
- Board crafts for search, monitoring and observe handling of goods. Navigators or owners of crafts shall co-operate with customs officers for searching on board;
- Enter the post office, including in the search room to inspect parcels under suspicion in the presence of post officers in accordance with the laws and regulations of the Lao PDR and international post federation agreement;
- Search buildings for smuggled goods in case such goods have been monitored without losing them from sight, and such search as mentioned above shall strictly comply to the Law on criminal procedures;
- Wear and use of weapons, devices and vehicles as provided in specific regulations;
- Request and receive co-operation and assistance from public organizations, the society, the population and receive legal protection;
- Execute other assigned rights and duties.

#### Article 103

In the performance of their duties, customs officers shall be entitled to demand and review documents related to customs at the following places and from the following persons:

- Transport companies and representative companies and at other relevant premises;
- Customs declaration servicing person and owners of import-export goods.

During inspection, customs officers shall have the right to retain necessary documents temporarily for facilitated work.

Article 104

In the performance of their duties, customs officers shall:

- Strictly implement instructions, customs regulations and law and other laws;
- Preserve documents and professional and official confidentiality;
- Provide recommendations to persons, business persons and staff of various organizations on the implementation of the Customs Law;
- Outline measures to restrict and repress smuggling activities;
- Wear uniforms, insignias, present assignment cards, and adequate and correct attitude.
- In certain necessary cases, customs officers may perform their duties undercover, but shall present their assignment cards to the searched persons.

Article 105

During the performance of their duties, customs officers abusing their rights and using their rights and duties for illegitimate personal interest or acting in a manner to hinder or restrict the lawful circulation of goods, shall be subject to disciplinary measures or penalties according to the laws and regulations.

Part XII  
Final Provisions

Article 106

This Customs Law replaces the Decree No. 47/CCM, dated 26/6/1989, of the Council of Ministers on the State Tax Regime alone.

Article 107

The Government of the Lao PDR shall issue detailed provisions on the implementation of this Law.

Article 108

This Law is effective ninety days after its promulgation by the President of the Lao People's Democratic Republic

Vientiane, July 18, 1994  
President of the National Assembly  
Saman VIGNAKETH