

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Office of the Prime Minister

No. 85/PM

**THE DECREE OF THE PRIME MINISTER REGARDING THE MANAGEMENT
OF THE STANDARD AND QUALITY OF GOODS AND PRODUCTS**

- Reference the Constitution of the Lao PDR, dated 14 August 1991
- Reference the Law on the Promotion and Management of Foreign Investment in the Lao PDR, No. 01/94, dated 14 March 1994
- Reference the Business Law
- Reference the proposal of the Head of the Department of Science Technology and the Environment

The Prime Minister decrees:

Part I
General Provisions

Article 1

This Decree is issued to ensure and to improve the quality of goods and products, to expand domestic production, and to expand international cooperation, to increase the administrative capacity of the State for the reasonable use of natural resources and Labor, and for [such use] to comply with existing [conditions] from time to time, to promote producers and to protect consumer rights and benefits, and encourage legal and proper competition in [the production of high] quality goods and products and service [providing].

Article 2

The Lao PDR administers and protects the uniform standards and quality of goods and products within the territory of the Lao PDR, promotes and creates favorable conditions to facilitate producers of goods and products and those who operate businesses in order to ensure [a standard] quality of goods and products and to protect consumer rights and benefits, based upon laws and regulations.

Article 3

Individuals, organizations, or juristic entities producing goods and products or operating goods and products businesses in the Lao PDR must be liable for the quality of goods and products produced and services [rendered] while also managing, inspecting, and creating various conditions to ensure and to improve the level of their goods and products.

Article 4

Individuals, organizations, or juristic entities have the right to make proposals and to petition the relevant agency managing the standard and quality of goods and products regarding production, conducting businesses in fake goods and products, and all instance of misrepresentation regarding the quality of goods and products.

Agencies managing the standard and quality of goods and products at each level have the duty to consider and resolve [matters arising from such] applications and petitions according to legal procedures.

Article 5

This decree is applicable to individuals, organizations or juristic entities who produce and who conduct businesses in goods and products in the Lao PDR.

Part II

Organization Scheme for Duties and Scope of Rights of the Agency Managing the Standard and Quality of Goods and Products

Article 6

The Agency managing the Standard and Quality of Goods and Products is comprised of:

1. The Central Management Agency whose role is the logistics coordinator for the Government in the organization, recommendation and inspection of activities of [governmental] divisions, localities, grass roots production units, and business throughout the country;
2. The local administrative agency (provincial and prefectural level) has a role in activities regarding the standards and quality of goods and products according to the recommendations of the Central Management Agency;
3. Division management agencies may be established in various forms as seen appropriate in order to assist in works in such divisions.

Article 7

The central Management Agency has the [following] rights and duties:

1. Draft summaries, plans, laws, rules and regulations regarding the management of the standards and quality of goods and products to propose to higher level authorities for publication or for its own use according to law;
2. Recommend and encourage organization in [economic] sectors and localities to undertake and administer standards and inspect the quality of goods and products;
3. Inspect, monitor and evaluate the performance of this Decree by organizations, [draft] summaries, plans, rules and regulations regarding the management of the standards and quality of goods and products and periodically report such to the Office of Prime Minister;
4. Establish an inspection committee regarding performance of Decree, rules and regulations and various activities and to apply measures against violators of the law and regulations regarding the standard and quality of goods and products;

5. Accept and consider for undertaking to resolve [issues arising pursuant to] proposals, petitions and demands from all parties and from the people regarding the standard and quality of goods and products;
6. Research and create national standards regarding goods and products;
7. Manage and determine the use of international standards in the Lao PDR;
8. Confirm, approve and cancel quality certificates, the use of national labeling and the offices of goods and products inspection of the [specific] divisions and localities within the entire country;
9. Establish a quality testing facility and issue goods and products quality certificates.
10. Register the quality of goods and products imported and exported.
11. Improve the level of technical officials and cooperate internationally in the area of the standards and quality management;
12. Conduct scientific and technological research; establish a system of publicizing the modification and improvement of national standards.

Article 8

Local management agencies (provincial and prefectural levels) have the right and the duty to:

1. Draft annual activity plans and long term plans, rules and regulations regarding the management of standards and the inspection of the quality of goods and products for proposal to the Central Management Agency for consideration and approval;
2. Establish and recommend the undertaking of activities of agencies for the management of standards and the inspection of the quality of goods and products under their authority.
3. Contribute opinions in the drafting of laws, decrees, regulations, national standards and rules regarding the standards and quality of goods and products drafted by the Central Management Agency.
4. Establish an office for the inspection of quality of goods and products, to ensure the system of inspection, to certify technical points regarding inspection of the quality of goods and products in compliance with national standards or international standards which have been determined to be applicable in the Lao PDR.
5. Determine programs for goods and products within the country which must be registered from time to time, establish a registration [system] for the quality of goods and products, inspect and apply measures against those who violate laws and regulations regarding the management of the standards and quality of goods and products according to their rights, duties, and responsibilities.
6. Conduct research and assemble science and technology officials in order to improve the standards and quality of goods and products.
7. Establish a system of information [distribution] and publication of regulations and laws and information regarding the standards and quality of goods and products.

Part III
Establishment and Usage of National Standards Labeling, Certification of Standards
And Office of Quality Inspection, Determination of Goods and Products Programs
For Inspecting Goods and Products

Article 9

Any goods and products standard is a technical document which provides an explanation of the quality and features [of goods and products], the method to extract a sample, the method of test, the expected packaging, the use of trademarks, the transportation and the method of preservation; including regulations, plans, methods and other matters related to the quality of goods and products.

Article 10

National standards regarding goods and products are national standards which have been established based upon research derived from past experience in science and technology and international standards which are appropriate to the economic conditions of the Lao PDR.

Article 11

Standards are compiled of two forms:

1. Mandatory standards are national standards which provide for an expected level of [quality] related to national security, public order, safety, health and hygiene, the environment and standards of goods and products of strategic importance which the Government determines from time to time.
2. Voluntary standards are standards which do not determine the expected level of [quality] and are created based upon production in order to ensure quality of producer's commodity with recommendations from the relevant management agency at various [governmental] levels.

Article 12

Individuals, organizations or juristic entities producing goods and products and conducting businesses in the Lao PDR must strictly adhere to standards and must give their genuine attention to the application of voluntary standards upon all of their activities.

Article 13

Individuals, organizations and juristic entities producing goods and products under mandatory standards must have received certification of standards of such goods and products from the Central Management Agency.

Individuals, organizations or juristic entities producing goods and products under voluntary standards meeting national standards have the right to apply to the Central Management Agency for certification and approval of the national labeling standard on their goods and products.

Article 14

No individuals, organizations or juristic entities who conduct production or business under mandatory standards may use the national standard labeling before receiving approval issued by the Central Management Agency.

No individuals, organizations or juristic entities who conduct production or business under voluntary standards may use or publicize the national standard labeling on their goods and products before receiving approval from the Central Management Agency.

Article 15

Individuals, organizations or juristic entities with offices [established to] inspect the quality of goods and products which have [demonstrated their] capability in conformity with [certain] conditions have the right to request a certificate approving of their quality testing facilities from the Central Management Agency.

Article 16

Management agencies must provide from time to time goods and products programs including exported and imported goods and products for quality inspection. Individuals, organizations or juristic entities who conduct goods and products import export businesses as provided must register the standards of their goods and products with the Central Management Agency.

Article 17

It is prohibited to import or export goods and products which are listed as items [of which] the quality [must be] inspected, without adhering to Article 16 above.

Article 18

Individuals, organizations or juristic entities producers who have received certification of the standards of their goods and products, a certificate of use, a national standard label and a certificate approving of their quality testing facilities must pay fees as provided.

Part IV

Duties and Responsibilities of Goods and Products and Business Persons And Consumer Rights Regarding the Standards and Quality of Goods and Products

Article 19

Individuals, organizations or juristic entities producers and who conduct goods and products businesses must be liable for the quality of the product they produce, be honest in declaring information regarding such quality, inspect the quality of their goods and products made by their factories [to inspect whether they] meet registered or published standards, have labeling which clearly references the quality, distinctive elements, and consumer benefits of such goods and products.

Article 20

Individuals, organizations or juristic entities who sell [goods and products] must be directly responsible to their customers regarding the quality of the goods and products, must clearly know about the origins and the quality of the goods and products which they sell; be honest and be truthful regarding the quality of the commodity, and [they must] instruct consumers in the selection and use and maintenance of goods and products.

Article 21

Consumers have the right to receive instruction, to select and to reject goods and products lacking in quality or which do not meet determined standards; they have the right to sue individuals and juristic entities who produce goods and products, who sell or distribute goods and products lacking in quality or which do not meet registered or published standards and [such offenders] must compensate [the injured consumers] for damages [suffered].

Part V

Inspection of the Quality of Goods and Products

Article 22

To ensure inspections and State inspections regarding the standards and quality of goods and products, the Central Management Agency may establish an inspection committee which shall have the following duties and scope of rights:

1. Demand that relevant individuals, organizations or juristic entities provide samples of their goods and products for testing, provide documents and clarification and co-operation in the performance of site inspections;
2. Order a temporary stoppage of production and business which affects safety, health and hygiene, the environment, and which is damaging to the national economy.
3. Draft memoranda, methods to pay fines and issue opinions and submissions to the state agency concerned, to investigate, consider and make decisions in cases according to the law.
4. The inspection committee must be legally liable regarding memoranda, methods to fine and other legal acts in conducting their work.

Article 23

Individuals, organizations or juristic entities producing goods and products and conducting business have the right to petition the Central Management agency regarding the performance of the work of the inspection committee when it is seen that summary memoranda, methods of imposing fines and other matters are improper.

Part VI

Performance Of Awards and [Application of] Measures [Against Offenders]

Article 24

Those with results in the performance, the discovery, and the reporting of violations of decrees, rules and regulations regarding the standards and quality of goods and products to Management agencies shall receive rewards and shall receive bonuses as the State determines.

Article 25

Any person violating decrees, rules and regulations regarding the standards and quality of goods and products, such as; using fake goods and products, lacking in quality and every instance of deceit regarding the quality of goods and products and forgery of the certificate of inspection of quality of goods and products shall be warned, shall be prosecuted, shall be fined according to the seriousness of the offence. If any act is a criminally wrongful act, [the offender] shall be punished according to the law.

Part VII
Implementation

Article 26

The Science Technology and Environmental Agency is assigned to perform its duties as the goods and products and standards and quality managing agency and is to expand this Decree by further regulations and detailed instructions for implementation.

The Food and Drug Administration shall undertake its activities according to its role by co-ordinating with [STENO]. In other areas which are not yet established and which undertake activities [contemplated herein], the Science Technology and Environment Agency shall be the entity to instruct, lead and implement [regulations in those areas].

Article 27

Ministries, equivalent agencies, provinces and the prefecture must acknowledge and strictly perform this Decree according to their respective rights and duties.

Article 28

This Decree is valid from the date of signature. All rules and regulations regarding the standards and quality of goods and products which were published previously which conflict with this Decree are hereby cancelled.

Vientiane, 02 November 1995
Prime Minister

(seal and signature)
Khamthay Siphandone