

LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity
-----0-----

Prime Minister's Office

No.205/PMO

Decree
on Import and Export Management

- X Based on the Law on the Government of the Lao PDR No. 01/95 dated 8 March 1995,
- X Based on the Business Law No. 03/94/NA dated 18 July 1994,
- X Based on the Decree on the Customs Law No. 04/94 dated 18 July 1994,
- X Based on the proposal of the Minister of Trade No. 1165/MCT dated 9 October 2001,
- X Based on the Decision of the Government Meeting in November 2001,

The Prime Minister of the Lao PDR has decreed:

Section I: General Provisions

Article 1: Function of the Decree

This decree has the function of stipulating management regulations on exports and imports in accordance with the laws, focused on production and export promotion, reasonable import control, promotion of international trade, improving living standards of people and active contribution to the national socio-economy.

Article 2: Definition

“Exports” means exports of goods from the Lao PDR to other country.
“Imports” means imports of goods from other country to the Lao PDR.

Article 3: Basic Principle of Organization and Operation

Any organization and operation of import and export within the Lao PDR shall be conducted strictly in accordance with this decree and other related laws and regulations.

Section II: Goods Control, Controlled Goods on Import and Export

Article 4: Goods Control

The government of the Lao PDR encourages export and import of all goods except those goods which are under state control specified in this decree or other related laws or regulations.

According to this decree, control on import or export of a certain goods means the implementation of measures on these goods as necessary to maintain the economic and social stability, to preserve the national culture and tradition, and to protect other benefits of the state and society.

Application of import control is to protect the domestic production and consumer, to prevent price speculation in the country, and to maintain equilibrium of imports and exports.

Application of export control is needed to prevent the shortage of goods and to accumulate stocks within the country to ensure the export of some goods according to the international agreements that the Lao PDR is a party.

Article 5: Measures of control

Import and export control may be conducted through the following measures:

- Prohibit import or export;
- Require import or export application;
- Demand documentation such as bill of origin and quality certificate of the imported or exported goods based on the agreement or traditional procedure of the international trade.
- Forbid or restrict import or export of some goods;
- Issue specific conditions for the business license;
- Charge import or export fees;
- Stipulate certain quality including amount, packing, type, kind, size, weight, price, trade name or brand, country of origin and export or import country,
- Apply other necessary measures on import and export such as equilibrium plan, customs and tax policy, organize related group or association.

The measures of control specified in this article, which may be in conflict with the laws and regulations of the international trade systems that the Lao PDR is committed to or is member of, will be cancelled.

Article 6: Controlled Goods

Controlled Goods are those one which the measures are applied on import – export control as indicated in the article of this decree.

The list of controlled goods may be changed as necessary.

The Ministry of Commerce shall stipulate, cancel and apply the list and measures on controlled goods periodically, except those goods controlled by other sectors or being covered by other measures.

Article 7: Controlled Goods under Other Sectors

Goods under control of other sectors are those under the direct management of the related sectors. Importer and exporter of those goods shall conduct business according to measures issued by the related sectors.

The goods mentioned in paragraph 1 above and controlled measures on them shall be stipulated and issued as necessary by the related sectors. Then the list of these goods shall be reported officially to the Ministry of Commerce to add to the list of goods under the state control.

The Ministry of Commerce shall announce this list to business entity and related sectors.

Article 8: Permission Needed Goods

Goods that need to be permitted before import or export comprise forbidden goods and some controlled goods.

The Ministry of Commerce shall issue approval and lay down regulations on application procedures. The Ministry of Commerce has to coordinate with the related sectors and each approval shall be agreed by the Prime Minister.

Section III: Importer and Exporter

Article 9: Importer

Importer includes individual or juristic entity who has registered as a business according to this decree. Imported goods of these business entities are for sale within the Lao PDR.

Individual or juristic entity who has been registered with a business license may import some goods according to the related laws and regulation to serve their specific purpose as indicated in article 18 of this decree.

Article 10: Exporter

Individual or juristic entity who hold a business license may operate the export business.

Article 11: Importer or Exporter of Goods (for Self Consumption)

Importers or exporters of goods (for self consumption) are individual or organizations who have been authorized temporarily to bring in or out some goods for noncommercial purposes.

Section III: Establishment and Operation of the Export and Import Business

Article 12: Establishment of the Import Company

Individual or juridic entities who want to set up a import company as indicated in the first paragraph of Article 9 above shall apply to the Commercial Section for establishment and business registration and to the Financial Section for tax registration.

Article 13: Establishment of the Export Company

All business entities registered with a business license as indicated in Article 10 above can operate an export business.

Those who do not have a business license as specified in the first paragraph above, but want to operate an export business, shall apply for establishment as indicated in Article 12.

Article 14: Business Organization

The organization of the import or export company may be set up in accordance with the type and form as indicated in the Business Law.

Article 15: Registered Capital

Registered Capital to set up an export or import business shall be undertaken as indicated in the Business Law, except for export or import of some commodities, for which the laws and regulations specify for a higher Registered Capital.

Article 16: Approved Goods on the License

Individual or juridic entity shall submit the goods list along with the application for a import business license. The applied list may consist of one or many goods according to its capacity.

Individual or juridic entity received the import license according to the first paragraph above may trade in export of any kind of goods, except those goods controlled by the state which require the export license, those forbidden by the state and others specified in the laws.

The list of approved goods shall be shown on the import license of importer who is dealing with specific goods, as specified in the second paragraph of Article 9.

The Ministry of Commerce shall indicate goods that require an export license.

Article 17: Consequence from Non-operation

A business license of the import or export business entity, which is not operative for one year after approval, will be cancelled , except when a reasonable reason has been reported to the Commercial Section before the end of the one year limit.

Section V: Importation

Article 18: Import by the Import Company

Import by the import company shall be conducted in accordance with the following:

- import according to the goods list specified on the import license;
- holding of a sell-buy contract

Article 19: Specific Purpose Import

Specific purpose importer has the rights to import equipment, machinery and raw materials which will be used directly in production or business based on plan adopted by the related sectors.

Article 20: Import Procedure

Import company or specific purpose importer who has complied with the conditions specified in this decree can submit the import document directly to the related office at the border station to bring in the goods.

Article 21: Import of goods (for self consumption)

Authorized import (for self consumption) shall be conducted in accordance with the list, limit, type and amount of goods indicated in the customs law.

Section VI: Exportation

Article 22: Export by the Export Company

Export by the export company shall be accompanied by the sell-buy contract with the foreign counterpart.

For export of controlled goods, the company shall abide by the specific regulations on each controlled goods.

Article 23: Export Procedure

Exporters as indicated in Article 10 of this decree can submit export documents directly to the related office at the border station to bring out the goods.

Article 24: Export for self consumption

Authorized export for self consumption shall be conducted in accordance with the Customs Law.

Section VII: Sanctions

Article 25: Individual or juristic entity who breach the regulations on controlled goods, in addition to the withdrawal the license, shall be fined and be subject to legal proceedings.

Article 26: Other Violations

Any violation of the importer, exporter and government officer such as falsifying documents or misuse of the position shall be punish according to the law.

Section VIII: Final Provision

Article 27: Implementation

The Prime Minister's Office, the Ministry of Commerce, the Ministry of Finance, Ministries, comparable organizations, provinces, municipality and special zone shall implement this decree throughout the country.

Article 28: Effectiveness

This decree takes effect from its signature date. All promulgated decrees and regulations in conflict with this decree are herewith abrogated.

Vientiane 11/10/2001
Prime Minister of the Lao PDR.
Signed by Boun-Ngang Vorachit