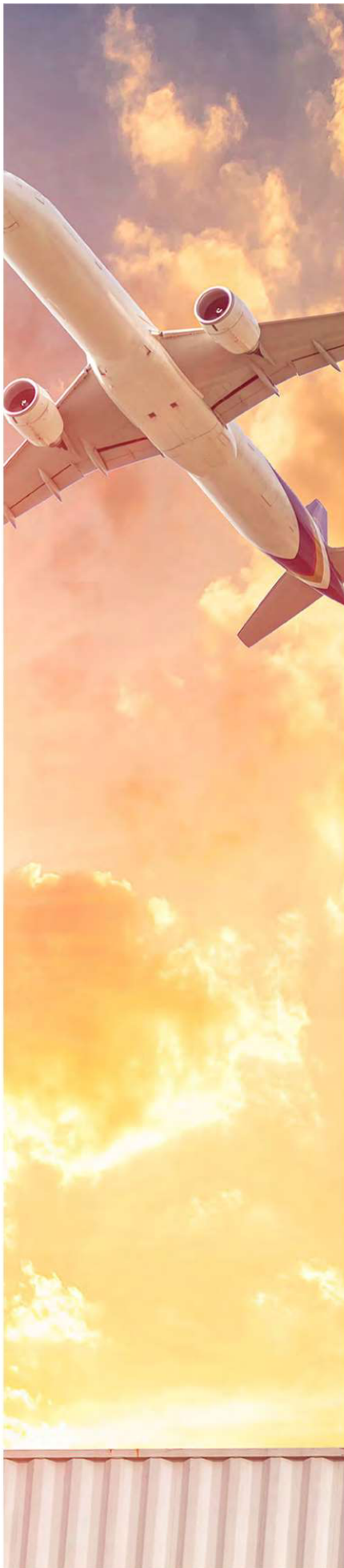


eBook on East Asia Customs Procedures

Lao People's Democratic Republic





eBook on East Asia Customs Procedures

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MESSAGE FROM CHAIRMAN

Blessed with geographical proximity, cultural affinity, close business ties and natural advantages for trade and economic cooperation, East Asia is one of the regions in the world with the most potential and development prospects. Since its establishment in 2004, East Asia Business Council (EABC) has always held the belief that cross-border trade, investment liberalization and facilitation are the prerequisites and foundations for East Asian countries to



promote industrial advancement, reduce unemployment and improve the quality of economic development. EABC has long been devoting to reducing trade and investment barriers and facilitating enterprises to carry out cross-border trade and investment.

In 2018, EABC agreed to compile eBook on East Asia Customs Procedures and listed it as a top priority in the Council's annual work in 2019. Today, the eBook is officially launched, with the expectation to strengthen regional economic and trade information sharing and further improve trade facilitation and connectivity among East Asian countries.

The eBook on East Asia Customs Procedures covers the guides of Customs procedures in 13 countries in East Asia, with 24 major items related to the Customs clearance of goods such as legal system, clearance procedures,

prohibitions and restrictions, duty collection (including classification, valuation, rules of origin), trade statistics, violations and sanctions, FTAs, AEOs and etc. The eBook is published electronically in English, providing companies with practical reference for international trade.

I believe that the eBook will help enterprises in the region, especially small and medium-sized enterprises, improve their capabilities in business management, investment and financing, and international market development. We hope that enterprises will take full advantage of the eBook to actively explore the regional market and achieve development goals.

Lu Pengqi
EABC Chairman 2019

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Heartfelt gratitude and sincere respects should be addressed to China Committee, East Asia Business Council (in short EABC China, also China Council for the Promotion of International Trade - CCPIT), to organize, support and sponsor the edition and publication of the eBook on East Asia Customs Procedures to provide manufactures, trader and related service-providers with comprehensive information and elaborate references on Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea, which is a unique, innovative and significant contribution to regional and even international trade community.

Cordial appreciations should be extended to the Trilateral Cooperation Secretariat (TCS) for supporting and partially sponsoring the eBook of China, Japan and the Republic of Korea and CCPIT Guangxi Sub-council for supporting the project.

Dedicated gratitude should also be expressed to all members of the editing team, proofreading team, project team for their arduous and continuous efforts during the process.

EDITOR'S STATEMENT

Customs procedures in almost every country are usually very professional, diverse, technical, abstruse, ambiguous, and even trapped for cross-border manufactures, traders and related service-providers, sometimes even cause significant invisible “barriers” to trade. Thus all the stakeholders imminently need information, materials and references as comprehensive, elaborate and concrete as possible in different countries to enhance the effectiveness and efficiency of cross-border trade.

This eBook on East Asia Customs Procedures aiming to provide a general picture involves in almost all aspects of Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea. For each eBook, a framework of 24 parts of contents is basically followed with certain flexibility of adjustments according to specific situation of each individual country.

It is not an easy task to edit this panorama-type of eBook and during the process the editors are facing significant challenges including English language proficiency, professional competence and most importantly very limited information and materials in English for references.

The contents of each eBook are based on current publicly available information and materials in English, mainly contained in the publications and on the websites of related Customs administrations, government departments and agencies, international organizations and private professional institutions. The editors believe the selection and use of publicly available information will not affect the interests of the above-mentioned organizations and sincerely appreciate those organizations having their information and publications publicly available.

During the editing process, the biggest and greatest challenge is the lack of information and materials in English, which are very limited in almost all countries and even very deficient, very scarce in some countries. Therefore some citations from the official websites and excerpts from legal documents do exist in the eBook.

As a first remarkable pilot project in the fields, this eBook on East Asia Customs Procedures are not perfect and flawless and we are satisfied with the qualities of the majority and will keep on improving the rest.

ABBREVIATIONS

AANZFTA	ASEAN-Australia and New Zealand Free Trade Agreement
ACFTA	ASEAN-China Free Trade Agreement
AEO	Authorized Economic Operator
AHKFTA	ASEAN-Hong Kong, China FTA
AHTN	ASEAN Harmonized Tariff Nomenclature
AIFTA	ASEAN-India Free Trade Agreement
AJFTA	ASEAN-Japan Free Trade Agreement
AKFTA	ASEAN-Korea Free Trade Agreement
APTA	Asia Pacific Trade Agreement
APEC	Asia and Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
ATIGA	ASEAN Trade in Goods Agreement
CEPT	Common Effective Preferential Tariff
CTC	Change in Tariff Classification
GATT	General Agreement on Tariff and Trade
GEL	General Exception List
GSP	Generalized System of Preferences
HS	Harmonized Commodity Description and Coding System
IFC	International Finance Corporation
LDCS	Least Developed Countries
RKC	Revised Kyoto Convention

RVC	Regional Value Content
SAFE	WCO Framework of Standards to Secure and Facilitate Trade
SL	Sensitive List
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
VAT	Value Added Tax
WBG	World Bank Group
WCO	World Customs Organization
WTO	World Trade Organization

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eBook on East Asia Customs Procedures

Lao People's Democratic Republic

1. INTRODUCTION OF LAO CUSTOMS

Lao Customs, headed by the Department of Customs under the Ministry of Finance, is a first-level organization affiliated to the Ministry of Finance and is responsible for managing and supervising the exportation, importation, transit and movement of goods, personnel and vehicles from Lao Customs; operating Customs offices; collecting import and export duties and other fees.

The Customs territory covers all territory of Lao PDR where the scope of functions of Customs is determined. Lao Customs is allowed to exercise their functions outside the Customs territory in accordance with agreements or protocols in which the government of Lao PDR has signed.

1.1 Mission

Lao Customs is a law enforcement agency with the responsibility to:

- Be responsible for timely, accurate import and export duty collection;
- Duty professional services;
- Trade and investment facilitation;
- Regional and international integration;
- Protect social safety.

Lao Customs can exercise the following rights:

- Propose the development of policies, strategies, laws, legislation and measures in line with the roles and responsibilities of the Department from time to time;
- Comment on, agree on issues and certify the validity of the documents in his / her responsibility in accordance with the laws and regulations;
- Propose to the Minister of Finance for consideration, amendment, suspension, implementation, abolition of resolutions, orders and regulations that are not in compliance with the Customs Law;
- Inspect persons, vehicles, legal and regulatory agencies;
- Issue an order to open an investigation - to investigate, issue a summons, invite or inform a person, legal entity or organization in accordance with law and regulation;
- Propose the Minister of Finance to issue orders for confiscation, confiscation, bribery, illegal goods and regulations;
- Propose the establishment, amendment, annulment, incorporation, separation of the organization, appointment, transfer or removal of the Chief and Deputy Chief of General Customs at each level; Rotating technical staff; Propose praise, implement policies (promotion, promotion etc.) and discipline staff and civil servants in their responsibilities according to regulations;
- Manage and use budgets, technical facilities, vehicles, facilities, equipment as per the Ministry of Finance's divisions and regulations;
- To exercise other rights in accordance with the laws, regulations and directions of the Minister of Finance.

1.2 Organization

The organizational structure of Lao Customs includes:

- Customs Department;
 - Department of Organization, Administration and Finance;
 - Planning and Information Division;
 - Legislative Division;

- Excise and tax administration department;
 - Department of International Tax Cooperation;
 - Tax Return Review Division;
 - Anti-smuggling Department;
 - Internal Audit Department.
- Regional Customs;
 - Customs Border Checkpoints consisting of international Customs border checkpoints, local Customs checkpoints and traditional Customs checkpoints.

The Government centrally and uniformly supervises Customs activities nationwide by assigning the Ministry of Finance to be the focal point for collaboration with other ministries and relevant local administration.

1.3 Functions

The Lao Customs Administration is a department under the Ministry of Finance that is responsible for managing Customs operations based on a vertical line of command from central to local levels; acts as the advisory body to the Minister of Finance in managing Customs operations at the macro level; and, carries out internal Customs inspections and audits, investigations and implementation of the Customs Law and other concerned laws and regulations in order to implement its assigned duties effectively. Customs Administration at each level has the following functions:

1.3.1 Customs Department

- Act as an advisory body to the Ministry of Finance regarding Customs policy, laws and regulations, strategic plans, and Customs development plans;
- Revise laws and regulations, and issue detailed implementation instructions;
- Implement and disseminate laws, orders, and various policies relating to Customs;
- Consider and propose the establishment of a warehouse regime to the Ministry of Finance for consideration;
- Manage, supervise, monitor and control the organization, profession and activities of the Customs Administration at each level nationwide;

- Collect and provide export and import data about Customs activities;
- Develop plans for capacity building, training, allocation, appointment, dismissal and reassignment of personnel; implement promotion policy regarding Customs personnel based on the laws and regulations.
- Coordinate and cooperate with sectors at the central level and local administrations with regard to Customs activities;
- Conduct post clearance audit, inspection and anti-smuggling activities, proceed and settle Customs related cases;
- Consider, study and address complaints of the declarant based on its scope of responsibility;
- Investigate Customs cases and file Customs cases to People's Prosecutor to litigate cases in court;
- Coordinate and cooperate with other countries and fulfill commitments under regional and international agreements, treaties and conventions for Customs activities that Government of Lao PDR is a Party to;
- Summarize and report the outcomes of Customs activities to Ministry of Finance regularly;
- Implement other rights and duties as defined in the laws and regulations.

1.3.2 Regional Customs

- Act as an advisory body to the Customs Department to strictly implement strategy, policy and Customs management mechanism within its mandates according to the Customs Law and regulations and other relevant laws and regulations;
- Disseminate policies, laws and regulations regarding Customs activities to individuals, legal entities and organizations in the society so that they can be informed and be aware of the compliance of the laws and regulations;
- Supervise, manage, inspect and control the implementation of Customs activities, the professionalism and performance of Customs Authorities within the region and border Customs checkpoints under their jurisdiction;
- Develop a plan for revenue collection from Customs duties and other obligations for the fiscal year within their jurisdiction to report to the Customs Department;
- Consider and settle complaints of the declarant under their jurisdiction;
- Conduct post clearance audits, inspections and anti-smuggling activities, and conduct Customs

cases proceedings;

- Investigate Customs cases and submit case files to the People's Prosecutor to take cases to court;
- Coordinate with local administrations and other government offices with regard to Customs activities within their region;
- Develop plans for capacity building, training, allocation, appointment, dismissal, reassignment, and rotation of Customs personnel under its jurisdiction to the Department of Customs to consider according to regulations;
- Supervise and evaluate the Customs declaration activities of individuals, legal entities and organizations in accordance with the Customs Law and regulations in order to reward traders with good records of Customs compliance as appropriate;
- Implement international coordination and liaison with regard to Customs activities as assigned by the Customs Department;
- Summarize and report the outcomes of Customs activities to the Customs Department and the Vientiane Capital/Provincial Administrations regularly;
- Implement other rights and duties as defined in the laws and regulations.

1.3.3 Border Customs Checkpoints

- Implement plans, policies and the Customs Law and regulations within their jurisdiction strictly;
- Collect Customs duties and other obligations accurately, fully in accordance with the budget plan on a timely basis;
- Manage and use equipment and tools in Customs activities effectively;
- Serve, manage, monitor, inspect and facilitate the export, import and transit of goods through checkpoints quickly and accurately as defined in the laws and regulations;
- Inspect and suppress any violations of Customs laws and regulations and other concerned regulations within their checkpoints and prosecute violators;
- Coordinate with other government offices within the checkpoint while performing their duties;
- Summarize and report Customs activities to Regional Customs and Municipality/District Administration regularly;
- Implement other rights and duties as assigned by Regional Customs.

1.4 Staffing

After significant extensions in new organization structure in recent years, Lao Customs has offices in many towns and urban areas, covering Attapeu, Bokeo, Bolikhamsai, Champassack, Huaphanh, Khammuane, Louangnamtha, Louang Prabang, Oudomxay, Phongsaly, Saravanne, Savannakhet, Sekhong, Vientiane, Vientiane Municipality, Xayaboury, Xaysomboune zone and Xiengkhuang.

The personnel structure of the Customs Administration is as follows:

- Director General, Deputy Director Generals;
- Director of Divisions, Deputy Directors of Divisions; Head and Deputy Head of Regional Customs;
- Heads and Deputy Heads of Units within the Divisions; Head and Deputy Heads of Units of Regional Customs, Head and Deputy Heads of International Customs Checkpoints;
- Head, Deputy Heads of Units of International Customs Checkpoints, Head and Deputy Heads of Local Customs Checkpoint and Traditional Customs Checkpoints;
- Customs Staffs and Authorities;
- Some supporting staff.

2. CUSTOMS LEGAL SYSTEM

2.1 Customs Law

The current [Customs](#) Law of the Lao People's Democratic Republic was adopted by the National Assembly in Resolution No. 04 of December 20, 2011. This law replaces the Customs Law No.05/NA dated May 20, 2005, which provides principles, policies, rules and measures on export-import, transit and movement of goods within the Lao People's Democratic Republic with a view to encouraging investments, protecting legitimate benefits in the fields of social, economic and national security, international integration, ensuring more effective revenue collection for the state budget and contributing to national

social and economic development. The Customs Law has made relevant provisions on import and export commodity restrictions, prohibited types, Customs declaration, tax payment, joint storage, delivery, Customs clearance, tariff document management and Customs review.

2.2 Decree on Import and Export of Goods

Furthermore, [Decree on Import and Export of Goods](#) No.114/GoI dated April 6, 2011, which determines principles, rules and measures on import and export of goods in order to facilitate, promote and administer the import and export, aiming at developing and strengthening socio-economy and contributing to the improvement of people's standard of living.

2.3 Other Related Laws and Regulations

Lao Customs also carries out other related laws administered by other government departments and agencies including:

- Investment Promotion Law, 2016;
- Enterprise Law, 2005;
- Labor Law, 2006;
- Tax Law, 2011;
-

Article 4 of the Decree on Import and Export of Goods No. 114/GoL dated April 6, 2003 set up the principles of the administration of import and export as follows:

- Trade facilitation;
- Non-discrimination;
- Transparency; and
- Compliance with laws and treaties to which Lao PDR is a party.

3. CUSTOMS CLEARANCE PROCEDURES

3.1 Import and Export Clearance Procedures

Customs Declaration Process in Lao includes the following steps: goods enter the warehouse → overweight → do temporary warehouse declarations → make temporary Customs declarations → report Customs inspections → report Customs leadership signatures → taxation on tax bills → Customs inspection of goods → payment of warehouse fees → Customs records, Customs clearance.

3.1.1 Import

A. General Procedures and Required Documents

All goods before imported into Lao PDR, the importer has to apply for import license from the Ministry of Commerce. When the goods stored in warehouse, importer or his agent has to present any relevant documents and complete Customs Declaration Form present to Customs authority within 10 days. The information shall be declared consist of: kind of goods, amount, weight, price, and country of origin. Customs declaration enables to declare at the Customs office where the goods entered.

B. Import Procedures before Clearance

All goods conveyed into Lao PDR, carrier must report to Customs at the first Customs check point of arrival. Carrier shall be allowed transport to the designated routes by Customs office and prohibited to transport other routes, and prohibited to run away the first Customs station before the goods brief report to Customs.

C. Payment of Duties and Taxes

Importer shall be allowed to paid duty and tax and must complete Customs Declaration Form and present relevant supporting documents to Customs. Payment of duties and taxes can be paid by cash or cheque guaranteed by bank issued, at the treasury office during official working hours.

D. Examination and Release of Goods

All imported goods must be examined by Customs at the goods placed during the official working hours. Examination is carried out in the present of the importer or agent has to responsible for opening, depend on Customs order. There are five main points for the examination of Customs: kind of goods, amount, price, weight, and Certificate of Origin and total amount of duties and taxes. Examination can be carried out outside if importer or his agent required and the head of Customs office considered reasonable. For the goods lay out CEPT Scheme for AFTA, green lane are designated in the eight Customs check points throughout country for facilitate to CEPT products. Examination in green lane quite easily and spend a short time.

3.1.2 Export

A. Time and Place of Lodging of Goods

Export declaration can be carried out at the common Customs checking border during the official working hours. If an exporter or his agent requests his goods to be examined outside the official working hours Customs workers compromise to him.

B. Declaration of Export and Documents

All goods for export, exporter or agent must complete Customs Declaration Form three issues attached with Bill of Lading and Invoice (FOB) and supporting documents submit to Customs for registration or export duty paid.

C. Payment of Export Duty

Exporter shall be allowed to pay export duty, and must complete Customs Declaration Form and present relevant supporting documents to Customs. Payment of export duty can be paid by cash or cheque guaranteed by bank, at the treasury office during the official working hours.

D. Examination and Release of Goods

Goods to be exported must be completed on the Customs Declaration Form and be examined in the presence of exporter/declarant or his/her representative after goods registered or export duty paid. There are five main points for the examination of Customs: description of goods, amount, weight, price and country of origin.

3.2 Other Clearance Procedures

3.2.1 Temporary Import

According to the Article 42 of Customs Law, temporary importation of goods in Lao includes:

- (1) Goods imported for manufacturing, processing, assembling, modifying or repairing;
- (2) Vehicles to be used for project survey and design;
- (3) Vehicles to be used for tourist visits;
- (4) Equipment to be used for project survey and design;
- (5) Goods for exhibition;
- (6) Goods for study and experiment.

Goods that are classified under clauses (1) to (6) above are suspended from the application of Customs duties and other obligations and when it is re-exported, it is subject to Customs duties exemption as specified in the regulations.

Temporarily imported goods are prohibited from ownership transfer, pawning, exchange, being bought or sold or misused. If these conditions are violated, measures shall be taken according to laws and regulations. In case it is necessary to use imported goods domestically, they shall be authorized by the Customs administration.

3.2.2 Temporary Export

Temporary exportation of goods out of the country and when bringing goods into the country again, if there are some modification, change or adding some equipment to the goods, the goods shall be subject to Customs duties and other obligations based on the laws and regulations, with the cost of the modification, change or adding of some equipment used as the basis for Customs duty calculation. Exportation of goods for the purpose of exhibition, experiment, research, analysis and etc. in foreign countries are subject to declaration of the detailed Customs duty, to insurance for the exported goods and to follow relevant regulations. For controlled goods, it must be approved by relevant sectors. Temporary exported goods shall be suspended from Customs duties and other obligations.

3.2.3 Transshipment

The transshipment through Lao PDR shall strictly follow the determined routes, entry and departure checkpoints, and timeframe. The transit goods shall be in the same amounts and conditions upon entry and exit from the Lao PDR under the surveillance by Customs officers of Lao PDR.

Transit of goods through Lao requires the same documents normally needed for import and export and a check or letter of guarantee from a bank. However, the Ministry of Finance of Lao is working on revising the existing regulations to ensure they align with international standards, particularly the ASEAN Customs Transit System.

The transit shipment through Lao PDR shall strictly follow the determined routes, entry and departure checkpoints, and timeframe. The transit goods shall be in the same amounts and conditions upon entry and exit from the Lao PDR under the surveillance by Customs officers of Lao PDR.

4. ASUCUDA AND LNSW

4.1 ASYCUDA

Lao PDR has selected UNCTAD's ASYCUDA (Automated Systems for Customs Data system) for the computerization of its Customs and allows importers and exporters to benefit from a digitized, single-window clearance system revenue collection and statistics gathering process.

ASYCUDA is a computerized Customs management system which covers most foreign trade procedures. The system handles manifests and Customs declarations, accounting procedures, transit and suspense procedures. It also generates trade data that can be used for statistical economic analysis. ASYCUDA takes into account the international codes and standards developed by ISO, WCO and the United Nations and can be configured to suit the national characteristics of individual Customs regimes, national tariff & legislation. ASYCUDA provides Electronic Data Interchange (EDI) between traders and Customs using prevailing standards such as XML.

At present, the ASYCUDA system has been used at all border crossings throughout Lao to enable importers and exporters to self-pay tariff functions. Importers and exporters can complete the Customs payment process in 15 to 30 minutes. In addition, in order to improve work efficiency, a one-stop service window for Customs declaration has also been established. Currently, and has been piloted at the Friendship Bridge Pass No. 1, with various modes of transportation as a pilot tool to establish a Customs information database to ensure fast and convenient Customs clearance.

The National Taxation Department has also cooperated with the Lao Foreign Trade Bank to start using Smart TAX for Customs clearance automation. Smart TAX will establish a more extensive and convenient working network. It will further facilitate Customs clearance at various Customs points in Lao, especially the four friendship bridges in the country.

4.2 Lao National Single Window (LNSW)

Within the course of its trade facilitation program, the Ministry of Finance and the Lao Customs Department are currently implemented a new tool – the Lao National Single Window ([LNSW](#)), which is a web platform, dedicated to simply trade regulations formalities. Using cloud computing, this secure interactive portal covers all the processes between government entities and the trade community, relative to trade regulations formalities in LPDR.

Interfaced with dedicated banks and ASYCUDA World, LNSW offers fostering Customs clearance operations and facilitates international trade in Lao and open gate to ASEAN regional single window.

Main objectives of LNSW include:

- Improve the supply chain efficiency;
- Reduce risk and processing times;
- Enhance transparency in Business to Government relations;
- Simplification of procedures and formalities;
- Cut down costs;
- Create a conducive environment to traders' competitiveness with possibility of working "just in time";
- Increase local logistic competitiveness (International Trade and Investments) in Cross-Border Trade;

- Improve visibility for Authorities: statistics and reports.

4.3 Current Focuses

At present, the focuses of Lao Customs are as follows:

- Improving duty notification and tax administration with electronic system (ASYCUDA, SMART TAX, SMART VAT);
- Improve modern tools in the inventory risk management and management (SCANNER, D53, E-Meter, CCTV, E-Seal, E-Gate);
- Implementation of National Single Window Tax Reporting;
- Implementation of the ASEAN Single Window Customs;
- Implementation of the Authorized Economic Operator Program.

5. DECLARATION DOCUMENTS

5.1 Import Declaration

Customs Declaration Form must be done three issued with relevant supporting documents consist of:

- Import License from Ministry of Commerce;
- Purchasing Order, Invoice and Packing List;
- Certificate of Origin Form D (import on CEPT Scheme);
- Import License from relevant Ministries (if require);
- Exemption Customs Declaration Form issued by Customs Department or Customs office Province (consistent with Article 56, 57 of Customs Law);
- License of duty paid one percent (for investment).

5.2 Export Declaration

All goods for export, exporter or agent must complete Customs Declaration Form three issues attached with Bill of Lading and invoice (FOB) and supporting documents submit to Customs for registration or export duty paid. Required documents for export include:

- Export License from relevant ministries (if required);
- Diplomatic goods;
- Commerce Invoice and Packing List;
- Payment of export duty.

5.3 Other Documents

Trade contracts, order cards, and Certificates of Origin should be submitted when deemed necessary. For certain technical products, importers must obtain a permit that these products adhere to technical standards from the Ministry of Science and Technology. Similarly, imported food items must attain a phytosanitary certificate from the Ministry of Agriculture and Forestry. Importers and exporters bringing pharmaceuticals or chemical products in or out of Lao must obtain a permit from the Food and Drug Department of the Ministry of Public Health.

6. CUSTOMS CLEARANCE BROKERS

6.1 Customs Clearance Brokers

Customs clearance brokers generally act as an intermediary between traders and Customs in Customs clearance processes. Customs clearance brokers' knowledge of Customs laws and processes in addition to their work experience in the trade supply chain can be useful for both traders and Customs. While Customs clearance brokers support traders by providing all necessary documentation or electronic transmission and undertaking formalities related to cargo clearance, Customs clearance brokers are also

expected to maintain government interests by ensuring compliance with Customs and other regulatory requirements and the collection of appropriate duties, taxes, and fees.

According to Article 14, Chapter 3, Part I of Customs Law, Customs clearance brokers have the duty to declare Customs duties on behalf of owners of goods or transporters. The Ministry of Finance shall issue regulations with respect to standards, requirements and the scope of operations of Customs clearance brokers.

6.2 Responsibilities of Customs Clearance Brokers

To further enhance their service delivery, some Customs brokers are transitioning towards a more comprehensive consultancy and advisory role, rather than being confined to merely filing declarations/ documents for Customs release and clearance. They also collaborate with other actors in the supply chain on behalf of traders, such as freight forwarders, carriers/agents, warehouse operators and transporters. In some cases, brokers have even expanded to provide many other services in the supply chain, such as cargo handling, warehousing, multi-modal transport carriage, packaging, consolidation, insurance coverage, delivery services, as well as providing consultancy in compliance and dispute resolution.

According to Article 14, Chapter 3, Part I of Customs Law, Customs clearance brokers in Lao have the following responsibilities:

- Conducting transaction with the Customs Administration for goods declaration procedures; completing Customs documentation, Customs clearance, payment of duty and other obligations; and removal of goods from a warehouse or checkpoint on behalf of the goods owner;
- Contacting the Customs Administration to register their electronic declaration system;
- Declaring goods correctly to the Customs Administration and submitting supporting documents in accordance with Customs protocols and procedures;
- Signing detailed Customs declarations in electronic format and/or other formats on behalf of the goods owner when authorized;
- Paying Customs duty and other obligations on behalf of the goods owner;
- Participating in the inspection of goods with Customs Officer, for instance, opening containers and boxes of goods, counting the quantity of goods, weighing and measuring goods;
- Representing owners of goods, transporters or other clients in dealing with the Customs Authority

for any breach of the Customs Law and regulations and other relevant laws and regulations;

- Being responsible for the costs of transportation, unloading, warehousing and other expenses occurring during the inspection of goods.

7. CUSTOMS SECURITY

According to Article 27, Chapter 6, Part II of Customs Law, security for releasing goods from the Customs checkpoint or warehouse before the detailed Customs declaration shall proceed according to the following requirements:

- The declarant shall make a request for the deposit of security with the Customs administration;
- The security shall be equal to Customs duties and other obligations with an additional twenty percent (20%) in cash or guarantee letter from a financial institution or bank or individual, legal entity or organization that has a reliable financial status;
- After releasing goods from the warehouse, within fifteen (15) working days, a detailed Customs declaration shall be made. Money or the guarantee letter shall be returned;
- If the declaration is made later than the specified time, the declarant shall be fined zero point ten percent (0.10%) of the value of goods;
- If the declarant fails to comply with the security contract, the violator shall be prosecuted based on the laws and regulations.

8. PROHIBITIONS & RESTRICTIONS

8.1 Major Trade Control Measures

In order to develop the domestic economy and protect the economic interests of the country, some trade control measures are implemented. The administration of import-export shall include the following measures:

8.1.1 Prohibition of Import or Export

In Lao, the Import and Export Administration Authorities have the rights to prohibit the import or export of goods. Goods in the list of prohibited import or export may be imported or exported only if authorized by the Government of Lao PDR. Importers and exporters can secure these licenses from the Department of Imports and Exports (DIMEX). The procedures of such authorization are set out in a separate regulation.

To determine the criteria for license requirements, three categories based on the products for import or export are used. These are:

- Products which do not require a license;
- Products requiring a license under the automatic route; and
- Products requiring a license under the non-automatic route.

Products under the automatic route are licensed for the purpose of collecting statistical information whereas products under the non-automatic route require permission from DIMEX to be either imported or exported.

Export goods subject to automatic licensing include:

- Logs, timber, and wood products;
- Rice; and
- Minerals and mineral products.

Export goods subject to non-automatic licensing include:

- Logs, timber, and wood products sourced from natural forests; and
- Gold bars.

Import goods subject to automatic licensing include:

- Road vehicles;
- Petroleum and gas;
- Logs, timber, and wood products;
- Rice;
- Steel bars and transformed steel;
- Cement, mortar, concrete;
- Printing products;
- Mineral and mineral products; and
- Timber and logging machines.

Import goods subject to non-automatic licensing include:

- Guns and bullets used for sporting purposes;
- Explosives used for industrial purposes; and
- Gold bars.

8.1.2 Licensing Requirements for Import and Export

The Import and Export Administration Authorities have the rights to require importer or exporter to obtain import or export license prior to import or export of goods. All importers and exporters must first register with the Ministry of Industry and Commerce's Department of Enterprise Registration and Management. The import licensing procedures are set out in a separate regulation and the export licensing procedures shall be applied the same as the import licensing procedures.

8.1.3 Requirements on Sanitary and Phytosanitary

The Import and Export Administration Authorities have the rights to require importer and exporter to provide certificates on sanitary and phytosanitary (SPS) measures or to comply with technical regulations (TBT) prior to import and export of such goods in accordance with relevant regulations.

8.1.4 Application of Trade Remedy Measures

The Import and Export Administration Authorities have the rights to introduce trade remedy measures such as anti-dumping measures, countervailing measures and safeguard measures in accordance with cases and conditions under treaties to which Lao PDR is a party.

8.2 Prohibition and Restriction of Types of Goods

Prohibited products and products under control for import and export in Lao PDR are based on Notification of the Cabinet of Ministry of Information and Culture, No.2411/C.MIC of 10 September 1997, according to Decree of Minister of Information and Culture No 1213/MIC of 23 November 1996.

8.2.1 Prohibited for Import

- Illegal drugs;
- Weapons, Explosives and ammunition;
- Chemicals and fertilizers;
- Fuel Oil;
- Plant and plant products;
- Knives and deadly weapons;
- Live Animals;
- Right driving cars;
- Medicine;
- Any written or recorded material which could be judged to be against the public interest;
- Household materials older than 50 years;
- Counterfeit money and goods;

- Images of God and Buddha – unless permission has been obtained;
- Pornographic material.

8.2.2 Restricted for Import

- All weapons and ammunition are restricted unless permission has been obtained from the Ministry of Commerce beforehand;
- Any receivers or transmitters through satellites, internet, equipment for radio broadcasting and television stations are restricted unless permission has been granted from the ministry of Information and Culture;
- Any games or material which is judged to negatively affect the morality and wellbeing of the children and teenagers inside the country could be removed by the Customs department;
- Images of Buddha and god made from copper, glass, wooden, bone, ivory, stone and other materials will also require permission from the Ministry of Information and Culture to be granted entry to enter or leave the country.

8.2.3 Prohibited for Export

- Illegal drugs;
- Weapons, Explosives and ammunition;
- Chemicals and fertilizers;
- Fuel Oil;
- Plant and plant products;
- Knives and deadly weapons;
- Live Animals;
- Right driving cars;
- Medicine;
- Any written or recorded material which could be judged to be against the public interest;
- Household materials older than 50 years;
- Counterfeit money and goods;

- Images of God and Buddha – unless permission has been obtained;
- Pornographic material.

8.3 License Management Products

8.3.1 Import License Management Products

For live animals, fish, aquatic organisms; edible meat and its products; dairy products; rice, rice; edible food, vegetables and their products; beverages, wine, vinegar; farmed feed; cement and its products; fuel oil; natural gas; ozone-depleting chemicals and their products; bio-chemicals; pharmaceuticals and medical devices; fertilizers; some cosmetics; insecticides, poisonous rodents, bacteria; sawn timber; logs and saplings; books, textbooks; silver blocks, gold bars; steel; vehicles and their accessories (except bicycles and hand-held ploughs); game machines; explosives and other 25 categories of goods, import licenses are required.

8.3.2 Export License Management Products

For live animals (including fish and aquatic organisms); rice, rice; shellac, resin, forest products; mineral products; wood and its products; unprocessed gemstones; gold bars, silver blocks and other seven categories of goods, exports licenses are required.

9. DUTIES AND TAXES

9.1 Customs Duty

All categories of goods exported from and imported to Lao PDR are subject to Customs duty and other obligations according to the rates defined in the Customs tariff nomenclature, except for cases where Customs duty and other obligations are exempted or suspended. Individuals, legal entities and organizations that export and import goods shall pay Customs duties and other obligations as set out in the laws and regulations.

Duties are levied on all types of imported and exported commodities at varying rates from 5 percent to 40 percent. Administrative fees are also levied at 5 percent ad valorem on equipment and materials.

The tariff nomenclature of Lao PDR, which is based on ASEAN Harmonized Tariff Nomenclature (AHTN 2012), observes standard ASEAN import tariff rates varying from zero to 40 percent, excluding non-ASEAN countries. Tariffs in Lao are divided into independent tariff rate, agreed tariff rate, preferential tariff rate, and reduction tariff rate and zero tariff rate.

9.1.1 Import Duty

The applicable rates can be found on [Lao Trade Portal](#). The tariffs are detailed in the [Tariff Nomenclature 2012 \(revised in 2016\)](#) with rates varying between 5% and 40%. The applicable rates are subject to the origin of the goods and a Certificate of Origin will need to be presented.

9.1.2 Export Duty

Export duties are only payable on some commodities. These include gems, electricity, gas, crude oil, timber and conversions. Full detail is provided in the [Edict on the List of Goods and Exported Tariff No. 002/OP](#).

9.2 Value Added Tax (VAT)

VAT applies to all imported products, unless they receive an exemption from the Government of Lao. The standard rate of VAT in Lao is 10 percent.

9.3 Excise Tax

The excise tax is an indirect tax, which shall be collected from some products imported or manufactured by domestic producers for sales the country.

Imports of equipment, means of production, spare parts, and other materials used in the operation of foreign investors' projects or in their productive enterprises are taxed at a uniform flat rate of one percent of the imported value. Raw materials and intermediate components, imported for the purpose of processing and then exported, are exempt from such import duties with approval from relevant ministries.

The excise tax calculation shall be based on the import cost for import goods or factory cost for domestic

products. The import cost includes the import amount declared plus import duty and other fees if exist. The importers shall produce the Customs declaring documents to the Customs offices at the import Customs checkpoints in order to pay tax. The tax shall be fully paid before removing the goods out of the Customs checkpoint. Excise Tax rates range from 5 to 90 percent on many goods.

9.4 Duty and Tax Rates

9.4.1 Import Duty Rates

The applicable import duty rates can be found on [Lao Trade Portal](#) and the tariffs are detailed in the [Tariff Nomenclature 2012](#) (revised in 2016) with rates varying between 5% and 40%.

Currently there are three import tariff categories in Lao:

1. Special Preferential Rates – applicable if there is a trade arrangement between Lao and another country or region (e.g. ASEAN member states).
2. Preferential Rates – applicable if the country is a WTO member and thus entitled to Most Favored Nation (MFN) status. In 2016 Lao' average MFN applied tariff was 8.5% (WTO).
3. Ordinary Rates – applicable for any other countries.

Currently, Lao PDR has seven import duty levels: 5%, 10%, 15%, 20%, 25%, 30% and 40%. Examples of import duty rates are shown in following Table 1.

Table 1 Examples of Import Duty Rates

For alcohol	40%
For cigarette	40%
For processed food	10%
For motorbikes with power of a cylinder capacity not exceeding 50cc	30%
For motorbikes with power of a cylinder capacity exceeding 50cc.	40%
For motor vehicles for transport of goods not exceeding 5 tons	30%
For motor vehicles for transport of goods exceeding 5 tons	40%

For car	40%
For machine	10%
For car	40%
For electric equipment	10%-20%

9.4.2 Export Duty Rates

Currently, Lao PDR has four export duty levels: 5%, 10%, 15% and 40%.

9.4.3 Excise Tax Rates

Excise tax rates range from 5 to 90 percent on many goods in Lao. And examples of excise tax rates are shown in following Table 2.

Table 2 Examples of Excise Tax Rates

1- Fuel	Gasoline (super)	23%
	Gasoline (Normal)	20%
	Diesel	10%
	Aviation gasoline	10%
	Lubricant, hydraulic oil, grease, brake oil	2%
2- Alcohol or other alcohol drinks	Alcohol or alcoholic drinks (above 15 degree)	40%
	Beer, wine and other drinks (below 15 degree)	30%
3- Bottled soft drinks and other vitamin drink		20%
4- Packed and unpacked cigarettes, cigars		30%
5- Perfume and cosmetic		10%
6- Play-cards and other similar play		50%

9.5 Preferences

Trade preference which Lao benefits from can be grouped into 3 categories: A. Generalized System of Preferences (GSP); B. preferences of developing countries; and C. preferences under free trade

agreements (FTAs).

A. The GSP is tariff exemption or reduction treatment extended by developed countries to developing countries and least developed countries (LDCs) with an aim to encourage their trade and economic development.

B. The second regime is the trade preference of developing countries or economies who voluntarily grant non-reciprocal preferential access to exports from LDCs.

C. The third preferential regime is mainly the preference carried out under the framework of free trade agreements, in which most importance to Lao is the ASEAN Trade in Goods Agreement (ATIGA).

9.6 Exemption, Suspension or Reduction of Customs Duties and Other Obligations

9.6.1 Exemption, Suspension of Customs Duties and Other Obligations

Exemption, Suspension of Customs duties and other obligations are stipulated in Article 50, 51, 52 of Chapter 1 and Article 53, 54, 55, 56, 57 58 of Chapter 2 of Part VIII of Customs Law 2011. Except importation of goods and vehicles for diplomatic missions, importation of goods and vehicles for international organizations, which still need to be re-exported after completion of the mission in Lao PDR and if be used domestically shall be subject to Customs duties and other obligations, general exemption from Customs duties and other obligations include:

- Personal belongings of passengers;
- Certain kinds of household items when changing a residency (moving house);
- Gifts of a delegation from overseas official visits;
- Goods obtained from government aids and borrowings;
- Essential items used for education, health, scientific study, samples and religious purposes;
- Special items used for national defense and public security.

9.6.2 General Customs Export Duty Exemption

General export Customs duty exemption is stipulated in Article 59 of Chapter 2 of Part VIII of Customs

Las as follows: exportation of agricultural products derived from production, plantation and breeding, and industrial products that have been manufactured or processed, and handicraft products, are exempted from export Customs duties, except for some items of goods that require an export duty.

9.6.3 Exemption, Suspension or Reductions of Customs Duties and other Obligations

Article 60, 61, 62, 63 of Part IX of Customs Law stipulate exemption, suspension or reduction of Customs duties and other obligations as follows:

Investment Promotion Policy: In order to promote investment and support production according to Government policy, the exportation and importation of goods are subject to exemption or reduction of Customs duties and other obligations based on the Law on Investment Promotion.

Exportation-Importation under the Policy of Special Economic Zones and Specific Economic Zones: The export and import of goods into and out of special economic zones and specific economic zones are exempted, suspended or reduced from Customs duties and other obligations according to relevant and specific regulations.

Duty Free Shops: The Ministry of Finance shall authorize the establishment of duty free shops to distribute goods to outbound travelers. Those goods are suspended from Customs duties and other obligations according to regulations.

Management of the Utilization of Goods, Vehicles or Equipment: Goods imported or exported under exemption, suspension or reduction regulations for Customs duties and other obligations shall be under the control of the Customs Administration. Goods from a special economic zone and specific economic zone intended for distribution or consumption in the territory of Lao PDR shall pay Customs duties and other obligations according to regulations. Vehicles or equipment authorized for import under the investment promotion policy shall be used for intended purposes and are prohibited to be distributed or sold in general. If a violation occurs, Customs measures shall be taken according to the laws and regulations.

9.7 Refund or Delayed Payment

Customs Law of Lao does not provide refund or delayed payment of duties.

10. HS CLASSIFICATION

10.1 Tariff Nomenclature

The Harmonized Commodity Description and Coding System, also known as the Harmonized System (HS) is an international standardized system of names and numbers to classify traded products. The determination of the correct HS Code for tariff classification purposes is important since the applicable Customs tariff rates and import licenses/certificates for specific imported goods are determined according to their HS Codes.

At present, Lao PDR is using the Tariff Nomenclature 2017, which commodities are classified based on ASEAN Harmonized Tariff Nomenclature (AHTN) and Harmonized Commodity Description and Coding System (HS) of World Customs Organization (WCO) and WCO version is at 6 digit level, the ASEAN AHTN 2012 version is at 8 digits level while Lao 2017 national version at 10 digits level.

All categories of goods that are exported and imported shall be declared according to the code of each category of goods as specified in the Tariff Nomenclature 2017.

10.2 Rules of Classification

Lao Customs follows WCO's General Rules for the Interpretation of the Harmonized System. There are six principles, which should be followed, to determine the classification of goods:

- **Rule 1:** The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.
- **Rule 2:** (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled. (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of

that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.

- **Rule 3:** When by application of Rule 2 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows : (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods. (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3 (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable. (c) When goods cannot be classified by reference to 3 (a) or 3 (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
- **Rule 4:** Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin.
- **Rule 5:** In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to there in: (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character; (b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.
- **Rule 6:** For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

11. CUSTOMS VALUATION

The Customs value of imported goods is determined mainly for the purposes of applying ad valorem rates of Customs duties. It constitutes the dutiable basis for Customs duties. It is also an essential element for compiling trade statistics, monitoring quantitative restrictions, applying tariff preferences, and collecting national taxes.

Lao Customs administrations value imported goods in terms of the provisions of the WTO Agreement on Customs Valuation (adopted in 1994). This Agreement establishes a Customs valuation system that primarily bases the Customs value on the transaction value of imported goods, which is the price actually paid or payable for the goods when sold for export to the country of importation, plus, certain adjustments of costs and charges.

Where the Customs value cannot be determined on the basis of the transaction value, it will be determined using one of the following methods:

- Transaction Value of Identical Goods;
- Transaction Value of Similar Goods;
- Deductive Value Method;
- Computed Value Method;
- Fall-back Method.

According to WCO Guide to Customs Valuation and Transfer Pricing, the above-mentioned valuation methods must be used in hierarchical order and these methods are introduced as follows in detailed manner:

Valuation Method 1: Transaction Value

The WTO Valuation Agreement defines the transaction value as “the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 8”.

In effect, this means that the commercial arrangement between the buyer and seller of imported goods determines their Customs value. Article 8 provisions further refine this value by outlining value elements which must be added to the transaction value; or elements which can be subtracted from it; thus arriving at a fair and transparent Customs valuation.

Under the terms of the Agreement, some value elements can be subtracted from the transaction value including: (1) delivery costs after importation. If the seller's or carrier's charge covers delivery beyond the Lao border, the importer may deduct the additional charges for such delivery, providing they are shown separately from the price paid or payable for the goods, (2) Lao duties or taxes - an importer can deduct from the price paid any included Customs duty or other taxes which are payable in Lao because of the importation or sale of the goods, (3) dividends - an importer can leave out dividend payments made to the seller, (4) marketing activities related to the imported goods. An importer is not required to include in the Customs value the cost of the following activities which it carries out at its own expense including advertising and guarantee or warranty services, (5) buying commission. An importer may leave out fees or brokerage paid to an agent for representing a buyer outside Lao in buying imported goods, providing the commission is shown separately from the price paid or payable for the goods, (6) interest charges. These may be left out if they are payable under a financing arrangement for buying the imported goods, providing the charges are shown separately from the price paid or payable for the goods.

Elements that must be added to the transaction value unless they are already included in the invoice including: (1) Delivery costs. The costs of transport, insurance, loading or handling connected with delivering the goods to the Lao border must be included, (2) Commissions. Certain payments of commission and brokerage, including selling commission, must be included. Buying commission, where an importer pays someone to act for them in the supplier country in connection with a purchase is not dutiable, (3) Royalties and license fees. An importer must include these payments when they relate to the imported goods and are paid by the importer as a condition of the sale of those goods, (4) Goods and services provided free of charge or at reduced cost by the buyer. If the importer provides, directly or indirectly, any of the following, there must be included in the Customs value any part of the cost or value not included in the price charged to the importer by the seller - sometimes known as "assists" including:

- (a) Materials, components, parts and similar items incorporated in the imported goods including price tags, labels etc.;
- (b) Tools, dies, moulds and similar items used in producing the imported goods, for example, tooling charges. There are various ways of apportioning these Charges;

- (c) Materials consumed in producing the imported goods, for example, abrasives, lubricants, catalysts, reagents etc. which are used up in the manufacture of the goods but are not incorporated in them; or
- (d) Engineering, development, artwork, design work and plans and sketches carried out outside the country and necessary for producing the imported goods. The cost of research and preliminary design sketches is not to be included.

(5) Containers and packing including the cost of containers which are treated for Customs purposes as being one with the goods being valued (that is not freight containers the hire-cost of which forms part of the transport costs) and the cost of packing whether for labor or materials. Where containers are for repeated use, for example reusable bottles, an importer can spread their cost over the expected number of imports. If a number of the containers may not be re-exported, this must be allowed for. (6) Proceeds of resale. If an importer is to share with the seller (whether directly or indirectly) the profit on resale, use or disposal of the imported goods it must add the seller's share to the price paid. For example, if the seller is to have a share of the profit which you receive, this is to be added to the price paid or payable. (7) Export duty & taxes paid in the country of origin or export. When these taxes are incurred by the buyer they are dutiable. However, if you benefit from tax relief or repayment of these taxes they may be left out of the Customs value.

It is expected that, under the Agreement, the transaction value will form the basis for the Customs value in most of the imports. In some circumstances, however, the transaction value cannot be used - therefore Method 1 is inappropriate and importers must seek an alternative method. The following 5 additional methods must be attempted in number order (i.e. Method 1, then Method 2, etc.) until an appropriate method is found.

Valuation Method 2: Transaction Value of Identical Goods

This is the second method an importer must try, and it involves using the value of identical goods, imported into Lao at or about the same time, on which to base the Customs value of an import where the transaction value cannot be used. Identical goods are goods produced in the same country as those being valued.

If no identical goods can be found, the importer must proceed to Method 3.

Valuation Method 3: Transaction Value of Similar Goods

This is based on the Customs value of similar goods imported into Lao at or about the same time as the goods to be valued. Similar goods are goods which differ in some respects from the goods being valued, but they (1) are produced in the same country, (2) can carry out the same tasks, and (3) are commercially interchangeable.

If no similar goods can be found, the importer must proceed to Method 4.

Valuation Method 4: Deductive Value

This method takes the evidenced normal selling price of goods with the same characteristics to unrelated persons in Lao and subtracts the following elements: (1) either the commissions usually paid or agreed to be paid, or (2) the addition usually made for profit and general expenses in connection with sales in Lao of imported goods of the same class or kind, (3) the usual costs of transport, insurance and associated costs incurred within Lao, and (4) Customs duties and internal taxes payable in the country of importation.

Customs will reasonably expect evidence to support the figures submitted, particularly with reference to the importer's profit.

If the goods are not sold on in Myanmar as they were imported for example they have undergone significant processing or other elements are unknown or cannot be evidenced, the importer must proceed to Method 5.

Valuation Method 5: Computed Value

This is based on the costs involved in producing the imported goods. Because this method relies on suppliers revealing sensitive information, it is most often used where seller and buyer are related, and the price is influenced by the relationship.

The Customs value is a built-up value. It is based on the sum of the following: (1) the cost or value of materials and fabrication or other processing used in producing the imported goods including any assists provided by the buyer, and containers and packing, (2) an amount for the producer's profit and general expense, plus (3) the cost of transport, insurance and loading or handling connected with delivering the goods to the Myanmar border.

Same as Valuation Method 4, Valuation Method 5 will reasonably expect evidence to support the figures submitted, particularly with reference to the supplier's profit.

If an importer cannot use Valuation Method 5, then he/ she must move on to Valuation Method 6.

Valuation Method 6: Fall-back Method

In the rare event that an importer cannot find an alternative valuation method by applying principles involved in Valuation Methods 1 to Valuation Method 5, then Method 6 must be used.

Using this method, an importer must arrive at the Customs value by using reasonable means consistent with the WTO Valuation principles.

12. RULES OF ORIGIN

12.1 Rules of Origin

The WCO, in the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, RKC), defines rules of origin as “the specific provisions, developed from principles established by national legislation or international agreements (“origin criteria”), applied by a country to determine the origin of goods.

The Decree on the Origin of Import and Export Goods No. 228/PM dated April 22, 2010 stipulates the principles and rules on the origin of import and export goods aiming at promoting both domestic and foreign trade and investment, benefiting from trade preferences, and protecting the environment, which will contribute to the strengthened development and growth of the national economy and improved livelihoods of the people in Lao PDR.

According to this Decree, there are two systems: preferential and non-preferential rules of origin.

12.1.1 Preferential Rules of Origin

A. Preferential Rules of Origin under International Agreements

The determination of the origin of goods under preferences shall be made in accordance with the rules of origin under international agreements of which Lao PDR is a party.

B. Preferential Rules of Origin under Unilateral Preferences

The determination of the origin of export goods under unilateral preferences shall be made in accordance with the rules of origin of importing countries.

12.1.2 Non-preferential Rules of Origin

The determination of the origin of goods shall be made under the following provisions:

A. Wholly Obtained or Produced Goods

The following goods are to be considered as being wholly obtained or produced in one country:

- (1) Plant and plant products grown and harvested, picked or gathered in that country;
- (2) Live animals born and raised in that country;
- (3) Products obtained from live animals referred to in sub-paragraph (2) above;
- (4) Products obtained by hunting, trapping, fishing, aquaculture, gathering or capturing conducted in that country;
- (5) Minerals and other naturally occurring substances, not included in subparagraphs (1) to (4), extracted or taken from its soil, waters, seabed or beneath its seabed;
- (6) Products of sea-fishing and other marine products taken from the high sea by vessels registered in the country concerned and flying the flag of that country;
- (7) Products obtained or produced on board factory ships exclusively from products referred to in sub-paragraph (6) above, provided that such factory ships are registered in that country and fly its flag;
- (8) Products taken from the waters, seabed or beneath the seabed outside the territorial waters,

provided that that country has the rights to exploit such waters, seabed and beneath the seabed in accordance with the international law;

- (9) Waste and scrap products derived from manufacturing operations and used articles, if they are collected therein and are fit only for the recovery of raw materials; and
- (10) Goods which are produced in that country exclusively from goods referred to in subparagraphs (1) to (9) above.

B. Substantial Transformation Criteria

Where many countries were involved in the production of goods, the country carrying out the last substantial transformation shall be regarded as the country of origin of that good.

The determination whether the last substantial transformation occurs as specified in clause above shall be only based on the change in tariff heading criteria.

C. Minimal Operations and Processes

The goods with the following minimal operations and processes shall be deemed not qualified for the origin of goods:

- 1. Operations to ensure the preservation of products in good condition for transportation or storage such as drying, chilling, adding salt, etc.;
- 2. Simple operations such as sifting, sorting, classifying or matching, washing, painting or cutting up;
- 3. Changes of packing and breaking up and assembling of consignment;
- 4. Simple slicing, cutting, and repacking or placing in bottle, flasks, bags, boxes and all other simple packing operations;
- 5. The affixing of marks, labels or other like distinguishing signs on products or their packaging;
- 6. Simple mixing of products;
- 7. Simple assembly of parts of products to constitute a complete product;
- 8. Combination of two or more operations specified in 1 to 7 above; and
- 9. Slaughter of animals.

D. Indirect Materials

When determining the origin of goods, indirect materials are not considered even though they might be used in the production process or not:

- Energy and fuel;
- Machine and tools;
- Plant, equipment, including safety equipment;
- Lubricants, greases and compounding materials;
- Gloves, glasses, footwear and clothing;
- Catalyst and solvents.

E. Determination of Origin of Packaging, Accessories, Spare Parts, Tools and Goods not yet Assembled or Dismantled

Packaging materials, accessories, spare parts, tools and instructional or other information materials which accompany goods are considered to have the same origin with such goods.

With respect to goods which have not yet been assembled or which are in a state of being dismantled and which are imported via a number of journeys due to transportation or manufacturing conditions, the origin of the goods on each journey shall be deemed to be the same origin.

13. ADVANCED RULINGS

Advance rulings are binding decisions by Customs at the request of the person concerned on specific particulars in relation to the intended importation or exportation of goods and facilitate the declaration and consequently the release and clearance process, as critical assessments in relation with the goods have already been made in the advance ruling. Advance rulings are binding throughout the Customs territory at

all Customs offices and valid for a specific period of time.

Article 28, Chapter 7, Part II of Customs Law lays down the legal foundation for Customs advance ruling.

In case the declarant is not sure about identifying the Customs classification code and country of origin of goods needed to prepare for a detailed Customs declaration, the declarant is allowed to request for advice and to apply for an advance ruling from the Customs Administration by following the procedures below:

- 1. The documents and/or samples of goods shall be submitted in writing to the Customs Administration;
- 2. The Customs Administration shall consider the request in order to issue an official certified document certificate of approval within fifteen (15) working days from the date the Customs authority receives full documentation;
- 3. In case the Customs Administration needs additional information, the declarant shall provide relevant information within fifteen (15) working days from the date of receipt of a notice from the Customs Administration. If it is beyond the deadline, the Customs Administration may not consider the application;
- 4. The certificate of approval from the Customs Administration is valid for not more than one (1) year as long as the specifications regarding the imported goods do not change. If there is strong evidence or information that the goods have changed, the certificate of approval shall be cancelled;
- 5. When there is information or evidence that a good has changed, the declarant must request to the Customs Administration to consider and issue a new certificate of approval.

14. FREE TRADE AGREEMENTS (FTAS)

14.1 Trade Preferences

Trade preference is a special and differential treatment mainly in terms of tariff reduction or exemption which may be in either non-reciprocal or reciprocal nature. A typical example of non-reciprocal preference is the generalized system of preferences whereby developed countries apply zero duties to imports from least developed countries. Reciprocal preference refers to an exchange of preferential treatment undertaken under various free trade agreements.

Trade preference which Lao benefits from can be grouped into 3 categories:

- Generalized System of Preferences (GSP);
- Preferences of developing countries; and
- Preferences under Free Trade Agreements (FTAs).

The GSP is tariff exemption or reduction treatment extended by developed countries to developing countries and least developed countries (LDCs) with an aim to encourage their trade and economic development. Lao a beneficiary of 38 GSP-granting countries: Australia, Belarus, Canada, European Union (EU 28), Japan, Kazakhstan, New Zealand, Norway, Russia, Switzerland and Turkey.

The second preferential regime is the trade preference of developing countries or economies who voluntarily grant non-reciprocal preferential access to exports from LDCs. This regime includes trade preferences of China, India, South Korea, and Chinese Taipei.

The third preferential regime is the preference carried out under the framework of free trade agreements, in which most importance to Lao is the ASEAN Trade in Goods Agreement (ATIGA). In addition, Lao also benefits from preferential access to ASEAN dialogue partners (China, India, Japan, and South Korea) as well as other trade arrangements (Lao-Vietnam and Asia Pacific Trade Agreement: APTA).

14.2 Lao' Major FTAs

Laos acceded to the WTO in 2013, and continues to integrate with ASEAN neighbors through the ASEAN

Economic Community. As a member of ASEAN, Lao PDR participates in all intra-ASEAN agreements as well as multilateral Free Trade Agreements with ASEAN dialogue countries including Closer Economic Relations (Australia and New Zealand), China, India, Japan, and Korea. Lao has also signed bilateral trade agreements with Argentina, Belarus, Cambodia, China, India, Kuwait, Malaysia, Mongolia, Myanmar, North Korea, Russia, Thailand, Turkey, and Vietnam.

In addition, Lao is a party to other FTAs including Lao-Vietnam Trade Agreement and the Asia-Pacific Trade Agreement (APTA). Laos and the United States signed a Trade and Investment Framework Agreement in 2016.

Lao has also signed various bilateral agreements with Vietnam, China, Cambodia, Burma, Thailand, North Korea, Mongolia, Malaysia, Russia, India, Belarus, Argentina, Kuwait, and Turkey.

Among them, preferences that Lao benefits from free trade agreements which is most important to Lao is the ASEAN Trade in Goods Agreement (ATIGA). ASEAN Free Trade Area (AFTA) was established in Lao in 1997 with an objective to eliminate tariffs for all tariff lines by 2018.

Examples of major Lao-related FTAs are as follows:

- **ASEAN Trade in Goods Agreement (ATIGA)**

Lao benefits from trade preference in the form of tariff exemption or reduction under the ATIGA from 9 other ASEAN members: Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Exports from Lao destined to these markets are subject 0% tariff rates for most agricultural and industrial products since 2010, except for those under the General Exception List (GEL) as well as under the Sensitive List (SL) exporting to newer ASEAN members (Cambodia, Myanmar and Vietnam) which will be cut to 0% rate by 2018. The document required for preference under this regime is the Certificate of Origin Form D.

- **ASEAN-Australia and New Zealand Free Trade Agreement (AANZFTA)**

Lao can export with reduced or exempted tariff rates under the AANZ free trade area from 11 countries: Australia, Brunei, Cambodia, Indonesia, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, Thailand and Vietnam. The document required is the Certificate of Origin Form AANZ.

- **ASEAN-China Free Trade Agreement (ACFTA)**

The trade preference in terms of tariff exemption or reduction under the ACFTA covers 10 countries (9 other ASEAN members and China). The document required for preferential treatment is the Certificate of Origin Form E.

- **ASEAN-India Free Trade Agreement (AIFTA)**

The trade preference in terms of tariff exemption or reduction under the AIFTA covers 10 countries (9 other ASEAN members and India). The document required is the Certificate of Origin Form AI.

- **ASEAN-Japan Free Trade Agreement (AJFTA)**

The trade preference (tariff exemption or reduction) under the AJFTA covers 10 countries (9 other ASEAN members and Japan). The document required for preferential treatment is the Certificate of Origin Form AJ.

- **ASEAN-Korea Free Trade Agreement (AKFTA)**

Lao is subject to exempted or reduced tariffs under the AKFTA from 10 countries which includes 9 other ASEAN members and Korea. The document required for preferential treatment is the Certificate of Origin Form AK.

- **Asia Pacific Trade Agreement (APTA)**

Lao benefits from trade preference in terms of tariff exemption or reduction under the APTA from countries: Bangladesh, China, India, Korea and Sri Lanka. The document required for preferential treatment is the Certificate of Origin Form APTA.

- **ASEAN-Hong Kong, China FTA (AHKFTA)**

The trade preference (tariff exemption or reduction) under the AHKFTA covers 10 countries (9 other ASEAN members and Hong Kong, China). The document required for preferential treatment is the Certificate of Origin Form AHK.

- **Lao-Vietnam Trade Agreement**

Apart from ASEAN, Lao also benefits from reciprocal access under the trade agreement between Lao and Vietnam for 32 tariff lines with 50% of the AFTA/CEPT rate, while all other products are 0% rate, except for 155 tariff lines which fall under the GEL of Vietnam. The document required for

preferential treatment is the Certificate of Origin Form S.

Detailed information regarding the above-mentioned FTAs can be reached from the official website of [Lao PDR Trade Portal](#).

15. WAREHOUSE REGIME AND SEZS

15.1 Warehouse Regime

The warehouse is a place to temporarily store goods and is located within the Customs territory and under the control of Customs officers while waiting for Customs clearance. A warehouse system is the warehouses storing goods that are intended to be exported and imported within a certain period of time with Customs duty suspension and under the control of the Customs Administration while waiting for Customs clearance.

According to Article 38, Part VI of Customs Law, warehouse system consists of 4 types as follows:

- **1. Bonded Warehouse** is a place used to store general goods with normal characteristics, excluding goods that are classified for warehouse types 2, 3 and 4 of this Article;
- **2. Temporary Warehouse** is a place used to store goods destined for duty free shops with a guarantee contract that the goods shall be sold to travelers who are going to other countries and shall be sold in accordance with specific regulations;
- **3. Industrial Warehouse** is a place used to store goods intended for temporary export and import for assembly, modification, processing or repair and then re-export;
- **4. Special warehouse** is a place used to store certain types of goods, such as: live animals; controlled goods or goods that are under special control; goods which have high risks and are dangerous and that are not appropriate to store in other types of warehouse.

Under Lao' Warehouse regime, imported goods not going into immediate circulation can delay paying tariffs until said goods are brought into the market. Importers must submit an import declaration under the Warehouse regime in order to delay tariffs.

15.2 Special Economic Zones (SEZs)

Lao has two principle Special Economic Zones (SEZs): the Savan-Seno SEZ in Central Lao' Savannakhet Province and the Golden Triangle SEZ in the sub-Mekong region near the borders with Myanmar, Thailand, and China.

According to Article 6, Part IV, Chapter 2 of Customs Law, the export and import of goods into and out of Special Economic Zones and specific economic zones are exempted, suspended or reduced from Customs duties and other obligations according to relevant and specific regulations.

For example, under Lao' Law on Investment Promotion, 2016, businesses operation inside these SEZs can import raw material and production equipment without paying import duties and are exempt from VAT on both imports and exports.

16. CUSTOMS SUPERVISION & CONTROL ON SERVICE TRADE

Lao' foreign trade is mainly trade in goods, and trade in services is relatively small. The Lao trade in services is mainly represented by tourism trade. Tourism revenues in Lao increased to 785.90 USD Million in 2018. Foreign Direct Investment in Lao increased by 169.25 USD Million in the first quarter of 2019. The Lao government, including Lao Customs, is stepping up efforts to promote trade in services and increase its level of facilitation.

17. POST CLEARANCE AUDIT

Detailed Customs declaration forms shall be subject to post clearance audit by the Customs Administration within a period of three (3) years from the date the detailed Customs declaration document has been registered or the date on that goods were released from a Customs warehouse or Customs checkpoint.

17.1 Principles for Conducting Post Clearance Audit

As stipulated by Article 66, Chapter 1, Part X of Customs Law, principles for conducting post clearance audit on the export, import and transit of goods by the Customs officers shall be implemented as follows:

- Re-examine all information related to Customs clearance including goods in the stock of business operators;
- Examine reference documents on the export and import of goods such as the Customs declaration value, country of origin, coding, payment information, financial and accounting records and books and other information of business operators;
- Keep or retain on a temporary basis all or part of evidence from business operators while the inspection or investigation is being carried out;
- Shall report audit results to business operators;

Relevant sectors shall cooperate to provide information on business operators on the request of the Customs officers.

17.2 Duration of Time for Post Clearance Audit

Article 65, Chapter 1, Part X of Customs Law stipulates the duration of time for post clearance audit as detailed Customs declaration forms shall be subject to post clearance audit by the Customs Administration within a period of three (3) years from the date the detailed Customs declaration documents have been registered or the date on that goods were released from a Customs warehouse or Customs checkpoint.

17.3 Post Clearance Audit Procedures

As stipulated by Article 67, Chapter 1, Part X of Customs Law, post clearance audit procedures of Lao Customs officers shall be implemented according to the following steps:

- Collect and analyze information on the detailed Customs declaration forms;
- Send a written notice to a business operator in advance to prepare information and evidence for audit;
- Visit business premises to conduct the audit activities according to regulations;
- Conclude the audit results and implement remedies;
- Inform the results of the post clearance audit to the business operators.

The Ministry of Finance shall issue detailed regulations related to post clearance audit.

18. CUSTOMS OFFENCES AND PENALTIES

18.1 Rights of Customs

Customs control is an application of procedures, methods, regulations and measures by Customs administration according to the Customs Law and other relevant laws to control the exportation, importation, transit and movement of goods. In all, Lao Customs officers have the following rights as stipulated by Article 79, Chapter 2, Part XII of Customs Law:

- To conduct investigations as defined in Customs Law and the Law on Criminal Procedure;
- To stop and seize goods and retain evidence that are related to Customs offenses as defined in the Customs Law and the Law on Criminal Procedure;
- To inspect the premises and other locations, vehicles and individuals as defined in the Customs Law and the Law on Criminal Procedure and other relevant laws;

- To enter business premises and warehouses to inspect goods and relevant documents on export and import transactions as defined in the Customs Law and regulations;
- To use weapons, technical equipment and tools in performing their duties;
- To collaborate in seeking cooperation and requests for assistance if needed from local administrations at all levels, national defense and public security forces, the general public and other relevant sectors;
- To implement rights as defined in the laws and regulations and as per assignment.

18.2 Measures against Violators

Article 118, Chapter 2, Part XVI stipulates measures against violators as follows: any declarant who violates the Customs Law and regulations and other relevant laws and regulations, apart from education, warning, fine or prosecuted Customs case proceedings, shall be subject to compensation for civil damages resulting from their actions; and shall be criminally prosecuted based on the severity of the case.

Article 119, Chapter 2, Part XVI stipulates measures against Customs officers and Customs Administration as follows:

- At the same time, any Customs official who violates the Customs Law and regulations but does not cause any damage to Customs revenues and other obligations will be educated and warned.
- Any person who intentionally violates the laws and regulations and their action results in some damage to Customs revenue and other obligations will be subject to disciplinary measures in accordance with the regulations and must pay compensation for damages.
- Any person who violates the Customs Law and regulations and cause substantial damage to the interests of the State, the collectives or individuals, such as abuse of position, power and duty for personal interests, taking actions exceeding their authority, falsifying documents, or taking bribes, shall be subject to criminal prosecution depending on the severity of the offence and in accordance with the laws and regulations.

Civil and Criminal Responsibility

Article 95, Chapter 1, Part XIV of the Customs Law also stipulates the civil and criminal responsibilities as follows:

- The owner of goods shall be responsible for any civil offense on behalf of a person who is assigned by the owner to carry out the Customs declaration, payment of Customs duties and other obligations that are not according to the laws and regulations, and shall be responsible for the seized goods.
- The guarantor shall be responsible for the payment of Customs duties and other obligations according to the laws and regulations that are under the responsibility of the person being guaranteed by the guarantor.
- The colluders for a Customs offense shall be prosecuted based on Law on Criminal Procedure and the measures of Customs Law shall be taken.

18.3 Types of Customs Offenses

Customs offenses are violations of the Customs Law and regulations with respect to the export- import, transit and movement of goods and all kinds of smuggling activities. In Lao PDR, Customs offenses are classified into two types: minor offenses and serious offenses.

According to Article 87, 88, 89, 90, 91 and 92, Chapter 1, Part XIV of Customs Law, minor offenses have three degrees: minor offenses at the first degree; minor offenses at the second degree; minor offenses at the third degree while serious offences have two degrees: serious offenses at the first degree and serious offenses at the second degree.

Minor Offences at the First Degree:

- Incorrectly and incompletely declaring detailed information that did not cause a significant impact on Customs duties and other obligations;
- Hiding or refusing to provide necessary documents to Customs authority as defined in Article 64 of this Law;
- Disturbing or creating difficulties to Customs authority to implement their duties;
- Goods are not imported into and/or exported from Lao PDR through the checkpoint as specified in the license;
- Using vehicles to commit Customs offenses;
- Other offenses, if they are not included in other types of Customs offenses.

Minor Offenses at the Second Degree:

- Declaring incorrect information that affects Customs duties and other obligations such as: tariff classification, country of origin, tariff, tax rates, declared Customs values, and other information;
- Declaring the incorrect number of boxes of goods or combining many units or many types of goods into one unit or one type, and thereafter submitting to the Customs authority, thereby intentionally evading the Customs duties and other obligations;
- Declaring the incorrect number of boxes of goods that are under Customs duty and other obligations [that are] suspended, exempted or reduced;
- The export-import of goods without permission from relevant sectors;
- Decreasing or increasing the number of goods and not declaring the number of goods in a warehouse regime;
- Violating regulations on export, import, movement and transit of goods;
- Using vehicles or goods that are under temporary Customs duty and other obligations that are suspended, exempted and reduced outside their purposes.

Minor Offense at the Third Degree:

- Minor offenses at the second degree committed for the third time;
- Exporting or importing of non-controlled and non-prohibited goods out of or into the Lao PDR without making detailed Customs declaration;
- Concealing goods through the use of vehicles or materials in order to intentionally avoid Customs duties;
- Storing or possessing non-controlled or non-prohibited goods over the needs of household consumption without holding detailed Customs declaration documents according to the laws and regulations.

Serious Offense at the First Degree:

A serious offense at the first degree is the act of exporting-importing or moving of controlled goods without holding a detailed Customs declaration or without an authorization from relevant sectors or if a minor offense at the third degree was committed on a repeated basis.

Serious Offense at the Second Degree:

A serious offense at the second degree is a serious offense at the first degree that occurs for the second time, and the violation of intellectual property rights and falsification of Customs documents.

18.4 Penalties for Customs Offences

According to Article 88, 89, 90, 91 and 92, Chapter 1, Part XIV of Customs Law, penalties are enforced according in corresponding to types of offences.

- Anyone who commits a minor offense at the first degree shall be fined as follows: For a value of goods lower than 5,000,000 Kip, they shall be educated and warned. For a value of goods from 5,000,001 kip to 10,000,000 Kip, they shall be fined five percent (5%) of the value of goods. For a value of goods above 10,000,001 Kip, they shall be fined ten percent (10%) of the value.
- Any person who has committed minor offences at the second degree shall fully pay Customs duties and other obligations as defined in the laws and regulations. In these cases, they are also subject to a fine of 30 percent (30%) of the value of goods. If the offense occurs a second time, the violator shall pay Customs duties and other obligations in full amount and also a fine of fifty percent (50%) of the value of goods. The seized goods, materials and objects used for concealing and vehicles used for committing the offence, that are not controlled by the State shall be returned to the owner after the case is solved.
- Any person who has committed a minor offence at the third degree will be considered as intentionally avoiding Customs and shall pay full Customs duties and other obligations and a fine at seventy percent (70%) of the value of the smuggled goods. If an offense at the third degree was committed for the second time, Customs duties and other obligations shall be paid in full amount according to the laws and regulations together with a fine at one hundred percent (100%) of the value of the goods. The seized goods, materials and objects used for concealing, and vehicles used for committing the offence, that are not controlled by the State shall be returned to the owner after the case is solved.
- Any person committing a serious offense at the first degree shall pay a fine at thirty percent (30%) of the value of goods. The seized goods shall belong to the State.
- Any person committing a serious offense at the second degree shall pay a fine of fifty percent (50%) of the value of goods. The seized goods shall belong to the State. A serious offense at the

second degree is a criminal offense, in which the violators shall be prosecuted based on the Law on Criminal Procedure and other relevant laws.

19. APPEAL AND SETTLEMENT

19.1 Appeal

According to Article 68, Chapter 2, Part X of Customs Law, declarants have the right to appeal when finding out that they are not treated fairly based on the agreements or decisions made by the Customs Administration on Customs declaration valuation, the classification of goods and the country of origin of goods. The appeal of the declarant shall be implemented as follows:

- A declarant shall submit an appeal with supporting documents and evidence to the Appeal Settlement Committee as identified in Article 69 of this Law;
- The time frame for submitting an appeal is thirty (30) days from the date the contested agreement or decision was made.

19.2 Appeal Settlement Committee

According to Article 69, Chapter 2, Part X of Customs Law, an Appeal Settlement Committee shall be appointed by Minister of Finance, consisting of two levels, as follows:

- The Regional Appeal Settlement Committee, with membership consisting of the Director of Regional Customs as the chairman, representatives from Provincial/Vientiane Capital Finance Department, relevant sectors and Customs experts from where the Regional Customs is located;
- The Central Appeal Settlement Committee, with membership consisting of the Director General of the Customs Department as the chairman, representatives from other Departments under the Ministry of Finance, other concerned ministries and Customs experts.

19.3 Procedures for Settling Appeals

According to Article 70, Chapter 2, Part X of Customs Law, procedures for settling appeals shall be implemented as follows:

- After receiving an appeal, within thirty (30) working days, the Regional Appeal Settlement Committee shall finalize the settlement of the appeal and notify the decisions to the applicant;
- If the applicant disagrees with the decision made by the Regional Appeal Settlement Committee, the applicant may submit his/her appeal to the Central Appeal Settlement Committee within fifteen (15) days from the date of receiving such decision;
- In case there is an objection to the decision of the Central Appeal Settlement Committee, the applicant has the right to further submit the appeal to the People's Court within thirty (30) days from the date of receiving such decision. The People's Court decision is effectively enforceable.

20. CUSTOMS IPR BORDER PROTECTION

Intellectual property protection in Lao is steadily improving. In 2011 the National Assembly passed a comprehensive revision of the Law on Intellectual Property, and an amended version in 2017 (though changes are not thought to be significant). The Ministry of Science and Technology now controls the issuance of patents, copyrights, and trademarks. The consolidation of responsibility for IPR under the Ministry of Science and Technology is a positive development.

According to Article 32, Part IV of Customs Law, if the owner of intellectual property rights has reliable information that imported, exported or transited goods infringe his or her trademarks or copyrights, the owner of the intellectual property right is entitled to prepare a request and submit it to the Customs Administration to inspect and seize such goods temporarily.

Also according to Article 33, Part IV of Customs Law, the Customs Administration shall issue detailed regulations to implement the protection measures as defined in Article 32 of Lao Customs Law, in which it

must be consistent with the Intellectual Property Law and agreements and conventions that Lao PDR are parties to.

Where the intellectual property right holder requests the Customs to take intellectual property protection measures or handle the intellectual property Customs protection filing with the Lao Customs, the domestic intellectual property right holder may directly or entrust the domestic agent to apply, and the foreign intellectual property right holder shall establish it in the territory. The office or the entrusted domestic agent submits an application and supporting documents for Customs' review and approval.

21. AUTHORIZED ECONOMIC OPERATOR (AEO)

AEO is a new concept under the World Customs Organization (WCO) SAFE Framework (Framework of Standards to Secure and Facilitate Global Trade). It represents a Customs-to-Business partnership to enhance international supply chain security and facilitate movement of legitimate goods.

The Customs Department of Lao PDR started work on establishing an AEO program in 2017, which is being supported by the International Finance Corporation (IFC), World Bank Group. In April 2019, a Ministerial Instruction No. 1159 has been issued, detailing AEO criteria, requirements, benefits, and associated procedure on the management of the program. As Lao PDR is planning to launch its AEO program, related training courses provided by WCO, IFC and other donor organizations have helped Customs officials to gain insights into AEO examination, validation and authorization procedures and the acquired knowledge and skills have significantly assisted Lao Customs to create a more favorable conditions for compliant businesses and secure and facilitate legitimate trade at the same time.

Lao PDR commits to implement an AEO program by the end of 2019, inviting importers and exporters to join the program that will be expanded to include other economic operators in the future.

22. TRADE STATISTICS

Lao Statistics Bureau and Ministry of Industry and Commerce Lao People's Democratic Republic are the agencies for the compilation and dissemination of trade statistics while Lao Customs has been playing an important supporting role by collecting data based on Import and Export Declaration Forms, which constitute the major source of information and data in compiling international trade statistics.

The websites of Lao Statistics Bureau and Ministry of Industry and Commerce Lao People's Democratic Republic are listed as follows:

Lao Statistics Bureau: www.nsc.gov.la

Ministry of Industry and Commerce Lao PDR: <http://www.moic.gov.la>

23. CONTACT INFORMATION

For further and detailed information relating to Lao Customs, enquiries should be addressed to the following official contact point:

Ministry of Finance, Lao PDR

23 Singha Road Vientiane Capital, Lao

Tel/Fax: 856-21-911336

Email: webmaster@mof.gov.la

Email: ict@mof.gov.la

Customs Department, Lao PDR

Tel/Fax: 856-21-213810

Lao National Single Window (LNSW)

Tel: 856 30 777 66 99

Email: helpdesk@laonsw.net

24. OFFICIAL WEBSITE

- Customs Department of Lao PDR: <http://www.customs.gov.la>
- Government of Lao PDR: <http://laogov.gov.la/pages/Home.aspx>
- Ministry of Finance: <https://www.mof.gov.la>
- Ministry of Industry and Commerce Lao PDR: <http://www.moic.gov.la>
- Ministry of Foreign Affairs of Lao PDR: <http://www.mofa.gov.la>
- International Law Project Lao PDR: <http://www.ilp.gov.la>
- Lao PDR Trade Portal: <https://laotradeportal.gov.la>
- Lao Statistics Bureau: www.nsc.gov.la
- Lao National Single Window: <https://laonsw.net/>

REFERENCE

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