DECREE

of the
PRESEDENT
of the
LAO PEOPLE’S DEMOCRATIC REPUBLIC

On the Promulgation of the Amended Customs Law

Pursuant to Chapter 6, Article 67, point 1 of the Constitution of the Lao People's Democratic Republic which provides for the promulgation of the Constitution and of laws which are adopted by the National Assembly;

Pursuant to Resolution No. 28/NA, dated 20 May 2005, of the National Assembly regarding the adoption of the Amended Customs Law; and

Pursuant to Proposal No. 09/NASC, dated 23 May 2005, of the National Assembly Standing Committee.

The President of the Lao People's Democratic Republic

Decrees That:

Article 1. The Amended Customs Law is hereby promulgated.

Article 2. This decree shall enter into force on the date it is signed.

Vientiane, 25 May 2005

The President of the Lao People’s Democratic Republic

[Seal and Signature]

Khamtai SIPHANDON
CUSTOMS LAW¹

Part I
General Provisions

Article 1. Purpose

The Customs Law defines principles, policies, rules and measures relating to the import [and] export², transit and circulation of goods³ within the Lao Peoples Democratic Republic with the aims of promoting [and] protecting domestic production of goods and domestic business operations, investments, cooperation with foreign countries and export, expanding production power efficiently, ensuring the [remittance] of revenues to the State budget and contributing to national socio-economic development.

Article 2. Definition of Customs Duties

Customs duties refers to monetary obligations to the State payable by individuals, organisations and legal entities carrying out import [and] export, transit and circulation of goods through border customs checkpoints according to the rates determined in the Book of Tariff Rates.⁴

Article 3. Government Policy on Customs

The government establishes policies relating to customs to encourage and promote production and services, with the aims of implementing policies relating to the promotion and protection of production of goods, [and]

¹ The literal translation is “Law on Customs Duties”.
² The Lao term is “export-import”.
³ The Lao language has two words for “goods”. In this law both Lao words are virtually always used together. The translators believe that the single English word “goods” covers both these Lao words. Readers may wish to refer to footnote 2 to the translation of the Tax Law for a fuller discussion of the literal language.
⁴ A literal translation would be “book of the rates of duties.”
encouraging exports to attract domestic and foreign investment[;] which⁵ is also the implementation of obligations to the State budget by individuals, organisations and legal entities which carry out import [and] export of goods through border customs checkpoints in order to ensure that contributions to socio-economic development expand continuously and to ensure that State finances are strengthened.

Article 4.  Definitions of Terms

Customs Authority⁶ is an organisation under the finance sector⁷ which is responsible for the implementation of the Customs Law, the collection of duties and other obligations relating to the import [and] export, movement and storage of goods

Customs staff is a civil servant who is recruited and appointed to work in the Customs Authority.

Customs officer is a customs staff who is appointed to work at the border customs checkpoints, customs stations, mobile customs units and to perform ad-hoc customs tasks.

Other obligations stipulated⁸ are excise tax at importation, turnover tax at importation, profit tax (in the case of importation by individuals), vehicle fees, [fees] on the entry-exit of people, [and] cross border fees stipulated in the laws which are assigned to be collected by the customs officers at the [border] customs checkpoints during the import [and] export of goods.

Customs declaration rules are rules relating to the declaration of importation of goods to the customs officers by the owner of the goods or by persons authorised to make [such declarations] in accordance with the procedures in the customs laws and regulations.

Customs agent⁹ is an individual or legal entity which carries on the business of providing services relating to the declaration of goods to customs

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⁵ The word “which” appears to relate to “customs duties” i.e., the payment of such duties is the obligation of individuals etc.

⁶ In the Lao language, the word roughly meaning “the entire organisation of responsible governmental agencies” is capable of being translated as any one of the following English words: “organisation”, “agency”, or “authority”. In choosing which English word to use, the translators have adopted the following convention. Where the governmental agencies in question have in practice adopted an English term for themselves, the translators have used that term (e.g., as in this law, Customs Authority). Otherwise, in other laws, the translators have used the generic term “organisation”.

⁷ The term “sector” is used to refer to all the governmental agencies, organisations, authorities, departments, offices or units, which, as a cluster, are responsible for matters relating to finance.

⁸ This appears to be a short form for “obligations stipulated under other laws”.

⁹ The literal is “customs declaration service provider”.

UNDP Draft Translation – March 2006
and who also represents other individuals or legal entities in dealing directly with customs officers.

Specified route is any road, railway, waterway and any other route determined by customs officers to be used for the movement of goods under the control of customs officers.

Seizure of goods is a temporary withholding of goods pending the results of prosecution.

Retention of goods refers to the prohibition of the sale [or] purchase\(^{10}\), transfer or pledge of goods, which are inconvenient to move and are kept in the premises of the accused pending the results of prosecution.

Confiscation of goods means a transfer of goods belonging to the customs offender to the State according to the court decision.

Market Dumping is the sale of goods below production costs in order to grab market [share] which has an impact on production or circulation of similar goods within the country.

**Article 5. Customs Territory**

The customs territory is the area in which customs officers perform their duties and covers the full sovereign territory of the Lao PDR. The customs officers can perform their duties outside the customs territory in accordance with international treaties and conventions entered into by the government of the Lao PDR.

Within the customs territory, all individuals, organisations and legal entities performing the import [and] export of goods through border customs checkpoints, without discrimination as to nationality, shall strictly comply with customs laws and regulations relating to the import [and] exports of goods.

**Article 6. Changing Rates of Duties in Case of Necessity**

If there is an urgent need to change the duty rates to protect the national interests and to be consistent with the socio-economic situation from time to time, the government may propose to the National Assembly Standing Committee to consider proposing to the President of the State to issue a presidential edict to promulgate [such rates] temporarily[;] thereafter, the National Assembly Standing Committee must report to the next session of the National Assembly for consideration [and] adoption as a law.

It is strictly prohibited for any individual or organisation to change the duty rates stipulated in this law.

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\(^{10}\) In Lao, the word is a compound word: “sale-purchase”.
Article 7. Goods Subject to Customs Duties

All types of goods which are imported into or exported out of the Lao PDR are subject to customs duties and other obligations according to the rules and principles stipulated in the Book of Tariff Rates, except in the case of goods that fall under the regime of duty suspension or exemption.

Article 8. Obligation to Pay Customs Duties

All individuals, organisations and legal entities that carry out the import [and] export of goods through border customs checkpoints must perform obligations in relation to the payment of customs duties in accordance with laws and regulations.

Article 9. International Cooperation

The government extends and promotes international cooperation on customs work on the basis of respect for each other’s sovereignty and mutual benefit in order to develop the customs sector [,

Part II

Customs Declaration Procedures

Chapter 1

Classification of Goods and Country of Origin of Goods

Article 10. Classification of Goods

All types of goods to be imported into or exported out of [the Lao PDR] must be declared to customs according to the classification number for each type of goods in the Book of Tariff Rates.

The Book of Tariff Rates of the Lao PDR is based on the international harmonized system of tariffs.


The country of origin of goods is the country in which [such goods] were exploited, were produced, went through a production process, [or] were processed pursuant to stipulated rules [and such country of origin shall be determined] in accordance with rules relating to the use of the book of tariff rates, the determination of the quantity of components or other regulations relating to trade.

11 The Lao equivalent of “and others” or “etc.” is commonly used to end lists and series of words. The word is not subject to more specific translation.
The country of origin of imported goods can be determined if there is a certificate of origin and if the transfer of goods from the country of origin to the importing country was in accordance with regulations.

The government shall issue regulations relating to the country of origin of goods, as well as the country of origin of goods which are produced in a certain country and which use raw materials or components from other countries.  

Chapter 2
Declared Value of Goods for Customs

Article 12. The Declared Value of Exports

The declared value of exports is the actual cost of goods which are delivered to the border customs checkpoint where [the goods] are exported based on a sale-purchase contract.

Article 13. The Declared Value of Imports

The determination of the declared value of imports must be in accordance with the principles determined in the General Agreement on Tariffs and Trade of 1994 of the World Trade Organisation.

The government shall establish details for implementation.

Chapter 3
Restricted and Prohibited Goods

Article 14. Restricted Goods

Restricted goods are goods the import or export of which is restricted by laws or other regulations of the State for reasons of packaging, [or] quality of goods that do not meet the standards and [of] market dumping.

If necessary, the government must issue decrees to strictly regulate certain types of goods to prohibit their import or export for certain periods under specific conditions.

In the case of an import or export of restricted goods, a license is required from the relevant government sector [and] must be attached to the customs declaration [form].

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12 This paragraph appears to relate to regulations for “determining” the country of origin of goods, but the Lao text does not contain such qualification.

13 The translators have used the word “contract” when referring to formal documentary contracts meeting the requirements of the Contract Law. The word “agreement” or “agree” is used to refer to terms or arrangements which parties may have agreed to but which have not been formalised in accordance with the Contract Law.
Article 15. Prohibited Goods

Prohibited goods are goods the import, export, sale [or] purchase, possession or use of which is prohibited by the government in order to ensure the following conditions:

1. Stability, security and social order;
2. Protection of the life and health of people, animals and plants;
3. Standards of good morals\(^\text{14}\) for the people, [and] fine national traditions and culture;
4. Protection of national heritage;
5. Protection of natural resources;
6. Implementation of obligations under the United Nations Charter;
7. Implementation of the provisions of the relevant laws of the Lao PDR.

Part III
Customs declaration, payment of customs duties and other obligations

Chapter 1
Rules for Customs Declaration

Article 16. Initial\(^\text{15}\) Customs Declaration

Importers [and] exporters of goods passing through [border] customs checkpoints must implement the following regulations:

1. All goods that are exported or imported by land, water or air must go through the routes specified by the authorities and must be declared at [border] customs checkpoints, customs stations or the nearest customs office; it is forbidden, without authorisation, to use other routes, to store goods in any premises or to fail to stop at a [border] customs checkpoint[;] if there is a violation[, such violation] will be considered as intentional avoidance of customs;
2. It is prohibited for any individual to unload goods from any means\(^\text{16}\) of transportation\(^\text{17}\) that has arrived at a border customs checkpoint until such goods or transportation documents have been initially declared\(^\text{18}\) to customs officers in order to register

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\(^{14}\) The literal is “good life”.

\(^{15}\) The literal is “in brief”.

\(^{16}\) In the Lao language, the same word is used for “instruments”, “vehicles” and “means” in their conceptual sense (e.g., “words are the vehicles of meaning”) and also to refer to physical, tangible instruments and vehicles. Generally, the translators have used the more neutral “means” rather than “vehicles”, which is likely to be understood as tangible, motorized vehicles, unless the context clearly indicates that “vehicles” is intended.

\(^{17}\) The literal is “means of movement”.

\(^{18}\) The literal is “declared temporarily”.

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[such goods] into a [bonded] warehouse\textsuperscript{19} or a detailed declaration has been made in accordance with Article 17 of this law, except in the case of emergency where there is a need to ensure the safety of the persons or the property in the means of transportation, [or] of other individuals, goods, [or] means of transportation which are vulnerable to accident, fire, natural disaster or other dangerous circumstances which could not have been predicted;  

3. Goods and means of transportation passing through customs checkpoints which must be declared are as follows:  
   a. Items that are personally carried by, or goods of, passengers who travel through the border customs checkpoints;  
   b. Goods imported and exported by post;  
   c. Private vehicles, [and] means of transportation travelling through the border customs checkpoints;  
   d. Exporting or importing of goods on one’s own behalf.  

4. All individuals, organisations and legal entities having goods shall:  
   a. Truthfully declare the goods to customs officers;  
   b. Provide cooperation and facilitation in accordance with rules and principles in the event that the customs officer requests information during goods inspection.  

5. The Ministry of Finance issues regulations relating to the time, manner, documentation requirements or different exceptions relating to goods to be exported and imported.  

\textbf{Article 17. Detailed Customs Declaration}  

All imported or exported goods, whether or not a suspension, reduction or exemption from duty and other obligations has been authorised, must be subject to detailed customs declaration by the owner of the goods or a representative authorised in writing, or by a customs agent, to the customs officers. The detailed customs declaration must contain all information according to\textsuperscript{20} [each] customs regime.  

In cases where the customs declarant is unaware of the details of his goods to be declared, he\textsuperscript{21} shall be authorised to first inspect the goods at the [bonded] warehouse before filling out the detailed customs declaration form.  

\textsuperscript{19} In Lao, the word for “warehouse” and for the broader term “storage” is the same.  

\textsuperscript{20} This has the connotation of “depending on the type of relevant regime”.  

\textsuperscript{21} Readers should note that the Lao language does not distinguish between genders in pronouns. In this translation, a reference to a gender is a reference to all genders, unless the context requires otherwise. The translators’ decision to use the male gender was made in the interests of simplicity and consistency.
Article 18. Documentation for Customs Declaration

The documentation for the detailed customs declaration must comply with the following procedures:

1. The detailed customs declaration form must have the signature of the owner of the goods or his representative authorised in writing and [the signer] must be responsible for all information contained in the detailed customs declaration form;
2. Documentation relating to the goods that must be submitted along with the detailed customs declaration form shall consist of the original copy of bills of lading, invoices, permits and other relevant documents in order to certify the correctness [of information];
3. The Ministry of Finance issues regulations and procedures relating to detailed customs declarations.

Article 19. Time for Customs Declaration

The detailed custom declaration form shall be presented to the [border] customs checkpoint within thirty days from [the date] the goods have been registered into the [bonded] warehouse, excluding public holidays.; if [the detailed customs declaration form] is not submitted by the deadline, the goods shall be placed under the specific control of the Customs Authority.

Article 20. Customs Agents

A customs agent has the duty to provide services relating to customs declaration in the place of the owner of goods or the transporter.

The Ministry of Finance shall issue regulations relating to the standards, conditions and scope of activities of customs agents.

Article 21. Registration of Detailed Customs Declaration Form

The detailed customs declaration form is to be filled out by the declarant before submitting to the customs officer, the customs declarant must verify all information contained in the detailed customs declaration form. A detailed customs declaration form that shows [signs of information having been] erased [or] crossed out, or that contains dirty marks will be considered unusable. Information contained in detailed customs declaration forms cannot be changed once they have been registered and approved for the payment of customs duties and other obligations or after an inspection has started.
Chapter 2
Payment of Duty and Other Obligations

Article 22. Calculation of Customs Duties and other Obligations

Customs duties and other obligations must be calculated on the basis of the declared value of goods for customs in KIP in accordance with the foreign currency selling rate of the bank\textsuperscript{22} used on the day of registration of the detailed customs declaration form and according to the rate stipulated in the Book of Tariff Rates.

Article 23. Methods for Paying Duties and other Obligations

After the detailed customs declaration form is registered, Customs duties and other obligations shall be paid in full in KIP currency, [and] the receiver of customs duties and other obligations must issue a receipt to the payer on each payment.

The government shall determine the penalties for persons who do not make payment of customs duties or other obligations or who delay in the payment.

Chapter 3

Article 24. Goods Inspection by Customs Officers

After the registration of a detailed customs declaration form, all or some of the goods must be inspected by customs officers as deemed appropriate.

The inspection of goods must be carried out in the presence of the owner of the goods or his authorised representative.

If necessary, inspection must involve the opening of containers [or] boxes, the counting, weighing [and] measuring of goods, [and] ascertaining, [and] verifying the various information provided or using other inspection techniques.

If there is a dispute on the result of any inspection of goods, the declarant will request customs officers to re-inspect the goods.

Goods inspection at the [border] customs checkpoints must be carried out at a location that is specified by the Customs Authority.

After completion of inspection, the customs officers shall make a memorandum of the results of the inspection and shall sign and write their names.

\textsuperscript{22} It is unclear whether this is intended to be a reference to a specific bank or to any bank.
The cost of movement, handling and other necessary costs that are consistent with the laws and regulations incurred in the inspection of goods shall be borne by the owner of the goods.


Removal of goods from a [bonded] warehouse or customs checkpoint must be in accordance with the following conditions:

1. Goods can be removed from the [bonded] warehouse or [border] customs checkpoint only after the customs declarant has fully paid customs duties and other obligations and after the customs officers have inspected [and] certified the correctness;
2. If necessary, the customs officers will authorise the removal of certain types of goods from the [bonded] warehouse or the [border] customs checkpoint before payment of customs duties and other obligations is made, but there must be a security contract in relation to the payment of customs duties and other obligations[, providing security] in the form of cash, cheque, bank guarantee, [or guarantee] by a legal entity or reliable individual in an amount equal to 120% of the customs duties and other obligations payable[, such security to be provided] on the date the customs officers have specified but not later than seven days. If the deadline has expired, the customs officers will calculate the penalties in accordance with Article 23 of this law;
3. Goods that have been authorised to be removed as stipulated in 1 and 2 above must be immediately removed from the [bonded] warehouse or [border] customs checkpoint.

**Chapter 4 Maintenance of Customs Documents**

**Article 26. Rules Relating to the Maintenance of Documents**

A person who operates an import-export or transit business must maintain documentation relating to customs as follows:

1. Book of accounts, [and] customs declaration forms with supporting documents and other information[,] including information relating to such customs which are kept in electronic form;
2. Various documents as stipulated in point 1 of this article shall be maintained for ten years at the business premises in the Lao PDR;
3. At the request of customs officers, persons referred to in the first paragraph\(^{23}\) of this Article must show documents, records, files and other information relating to the import and export of goods to the customs officers for inspection;

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\(^{23}\) This is a reference to the lead-in paragraph of the article, not to the numbered point 1.
4. Where a person mentioned in the first paragraph of this article is not available, his representative has the duty to show documents relating to customs to the customs officers for inspection.

**Article 27. Temporary Maintenance of Documents**

During investigations, customs officers have the right to temporarily maintain the necessary documents of the person who imports and exports goods, such as the full set of documents relating to the detailed customs declaration, books of accounts and other documents relating to the import or export of goods.

**Chapter 5**

**Post Clearance Audit**\(^24\) and Appeals regarding **Customs Declaration**\(^25\)

**Article 28. Post Clearance Audit of Customs Declaration**

Detailed customs declaration forms shall be subject to post clearance audit by the Tax Authority within three years from the date of registration of the detailed customs declaration forms, [in respect of information] such as country of origin of goods, goods classification, declared value of goods for customs, [and] rates of duties and other information.

During the period of post clearance audit\(^26\), if it is found that the above information is not correct and this has an impact on the assessment of customs duties and other obligations, the Customs Authority must issue a notice regarding the result of the post clearance audit to the importer or exporter or [his] representative to request additional payment of customs duties and other obligations together with the penalties arising from his responsibility for his wrongdoing as stipulated in Chapter 1, Part IX of this law.

The detailed customs declaration form for each customs regime shall be subject to post clearance audit in [the allowed]\(^27\) time starting from the date the goods have been removed from the [bonded] warehouse or [border] customs checkpoints.

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\(^{24}\) The literal translation is simply “audit”. Note also that in the Lao language, the same word is used to represent all of the following related (but slightly different) concepts: “control”, “inspection”, “supervision”, “audit” and “monitoring”. The translators have adopted the following convention in this law. First, when the word is used to refer to government inspections of importers and exporters (as in this chapter), the translators have translated the word as “audit”. As used in Part XII of this law, however, when referring to the government’s internal control mechanisms, the translators have chosen “control” (and its variants) as the most appropriate English equivalent. Readers should note and bear in mind the other meanings that might have been intended.

\(^{25}\) The literal translation is “re-submission”.

\(^{26}\) The literal translation is “re-audit”.

\(^{27}\) Literally “in due time”, where “due” has the connotation of the allotted time of three years.
Article 29. Filing of Appeals Relating to Customs Declarations

The customs declarant has the right to file an appeal relating to customs declaration in accordance with the following steps 28:

1. The customs declarant has the right to file a written appeal with the Customs Authority if he has doubts about or disagrees with the decision or result of the post clearance audit by the Customs Authority and this has impacted on his payment of customs duties and other obligations not later than thirty days after the registration of the detailed customs declaration form or the date he becomes aware of the decision of the Customs Authority;

2. The Customs Authority must consider and provide an answer to the appeal referred to in point 1 above within thirty days after the objection is received; if no answer is given, the appeal shall be deemed to be accepted; if there is an answer from the Customs Authority, it must provide an explanation, [and] reasons and make recommendations, as necessary;

3. The customs declarant has the right to request that the next higher authority consider [the matter] if [he] disagrees with the decision of the Customs Authority. If the next higher authority does not resolve 29 [the matter] or the customs declarant finds that such resolution is not appropriate, he has the right to file a claim in court.

Part IV
Removal of Goods for which Security has been Provided and Warehouse Regimes

Chapter 1
Rules Relating to Removal of Goods for which Security has been Provided

Article 30. Management of Movement of Goods

The movement of goods that are under the control of the Customs Authority by land, water and air from one place to another within the customs territory must be accompanied by a movement permit issued by customs officers at the starting point 30.

The movement of goods for which security has been provided [and] for which payment of customs duties and other obligations has not been made

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28 This has the connotation of sequence.

29 The word “resolve” has a wider meaning than “decision” and might involve actions that do not require the higher authority to actually make a substantive decision in the case. For example, the higher authority might direct the matter back to the relevant agency within the Customs Authority to re-consider its decision.

30 This is a reference to the starting point of the journey or movement in question.
must carried out in accordance with the rules stipulated in Article 25 of this law.

Importers or transporters of goods must strictly comply with all wordings contained in the movement permits of goods for which security has been provided. The movement of restricted goods must be accompanied by a permit of the relevant organisation\(^3\) and must be presented to customs officers along its transport route.

### Article 31. Expiration of Security

When goods are delivered to and arrive at the destination and fulfil the conditions stipulated in the movement permit [of goods] for which security has been provided, the transporter must immediately present the movement permit together with the goods for which security has been provided to the customs office at the point of destination in order to make a proper detailed customs declaration according to the customs regime.

Inspection of goods shall be carried out at the point of destination in accordance with rules and regulations [and] if customs duties and obligations payable have not been paid at the customs office at the starting point, the customs office at the destination point must fully collect the customs duties and other obligations before releasing the goods for use within the country, except if such goods have been classified under another customs regime.

If customs officers at the point of destination certify that the information determined\(^32\) by the customs officers at the starting point are correct and complete, the contract relating to the movement permit of goods for which security has been provided shall be terminated. In the case of a cash guarantee, [it] must be returned to the owner of the goods.

If the owner of the goods or [his] representative violates the contract without any valid reason, [he] shall be prosecuted in accordance with the procedures stipulated in this law.

### Chapter 2
Rules Relating to the Movement of Goods in Transit

### Article 32. Movement of Goods through Foreign Territory

If necessary, locally produced goods and goods on which customs duties and obligations have been paid in accordance with rules and regulations

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\(^3\) Here, “organisation” is used in a governmental sense.

\(^32\) There are two slightly different connotations regarding the duties of the officer at the journey’s destination. First, the officer should check that information previously verified (before allowing travel) continues to be correct and that any instructions or comments have been fulfilled. Second, the officer at the destination can rely on the check previously carried out at the journey’s starting point, such that the officer at the destination does not need to closely examine the detailed form, and need only focus on the notes of the officer at the starting point.
may be moved from one place to another within the Lao PDR through foreign territory. Such goods will be exempted from export duty, as well as from exit and entry restriction rules.

Movement of such goods must have a goods movement permit accompanied by security\(^{33}\) and must comply with the procedure set out in the Article 31 above.

If such goods do not belong to the category of restricted goods, or goods prohibited from export, or [such goods are] exempted from export duty, such movement only requires a regular movement permit without the need to provide security.

**Article 33. Movement of Goods through the Territory of the Lao PDR**

Goods moved from abroad under a transit regime through the Lao PDR to a third country must have a goods movement permit accompanied by security issued by the [border] customs checkpoint at the point of departure and must comply with the same procedure set out in Article 31 above. Goods in transit shall subject to the suspension of customs duties. Owners or movers of goods in transit must present movement permit of goods in transit accompanied by security to the customs officers along its transport route and the border customs checkpoint at the point of export in order to manage the transit.

The security contract accompanying the movement permit of goods in transit accompanied by security shall be terminated only when customs officers stationed at the border at the point of export certify that such goods have already crossed the border of the Lao PDR. The security contract shall be terminated only in respect of the actual quantities and types of goods exported from the territory of the Lao PDR.

**Chapter 3

Warehouses and Warehouse Regimes**

**Article 34. Warehouse**

A [bonded] warehouse is a place located in the customs territory where goods are stored temporarily under the control of custom officers pending the filing of the detailed customs declaration.

**Article 35. Warehouse Regime**

The [bonded] warehouse regime [refers to] regulations relating to the warehousing for a specific period of goods which are to be imported [or] exported with the suspension of custom duties and which are under the control

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\(^{33}\) The literal translation is “goods manifest”. The translators have translated this as “goods movement permit accompanied by security” because we understand that in practice a permit (that includes the requirement for security) is required.
of the Customs Authority awaiting implementation of the [appropriate] customs regime.

[Bonded] warehouses are classified into 4 types of warehouse regimes:
1. A real warehouse is a place for storing general goods of a regular nature and which excludes goods which are classified in types 2, 3, and 4 of this article.
2. An interim warehouse is a place for storing goods for duty free shops which have a contract guaranteeing the sale of [such] goods only to people who will travel to a foreign country and [which are] to be sold according to specific regulations.
3. An industrial warehouse is a place for storing goods which are imported or exported by enterprises on a temporary basis for assembly, modification, processing or repair, after which [such goods] shall be classified under an appropriate customs regime.
4. A special warehouse is a place for storing the following types of goods of a special nature such as:
   a. Live animals;
   b. Restricted goods or goods which fall under special control;
   c. High-risk goods and dangerous [goods] which are not appropriate to store in other types of warehouses.

The Ministry of Finance shall authorise the establishment of warehouse regimes, [and] shall determine rules relating to the places for construction of warehouses, [and] the organisation, use, management, [and] storage period of goods for each warehouse regime.

Article 36. Rules Relating to the Management of Warehouses

Restricted goods in transit through the Lao PDR may be authorised to be stored in one of the types of warehouse mentioned above, but must be re-exported within a definite period.

Customs officers have the right to inspect the inventory and goods in different types of warehouses at any time in accordance with regulations if deemed necessary.

If it is verified by customs officers that stored goods are missing or are in an amount less than what was stated in the initial inventory, the warehouse owner must be responsible for the payment of customs duties and other obligations according to the rate applicable on the day when such loss was discovered and must also be responsible under the laws and regulations, except in the case of force majeure.

The movement of goods subject to suspension of customs duties from one warehouse to another warehouse, to [border] customs checkpoints or for re-export shall have a movement permit for goods accompanied by security issued by custom officers.
Chapter 4
Regulations Relating to Temporary Import and Export

Article 37. Temporary Export of General Goods

When goods that have been temporarily exported return to the country, if there is any improvement, enhancement or addition, [they] must be subject to customs duties and other obligations according to regulations[;] the basis of calculation of customs duties and other obligations is the cost of the improvement, [or] enhancement or the cost of added materials purchased.

Persons temporarily travelling out of the country may temporarily bring personal belongings which are not restricted or prohibited for export without paying customs duties and other obligations.

In the temporary export of personal belongings, the person who travels out of the country must declare such personal belongings in the form prescribed by the customs officers.

Article 38. Temporary Export of Restricted Goods

The temporary export of restricted goods out of the Lao PDR must be authorised by the relevant government organisation and must have a security contract from a third person guaranteeing that such goods shall be returned in their original number and condition.

If such goods are not returned to the country, the terms stipulated in the security contract must be implemented.

Article 39. Temporary Import of General Goods

Regulations relating to the temporary importation of goods are as follows:

1. Goods may be classified in the temporary importation regime if, at the time of importation, it has been clearly stated that such goods will be re-exported in the original number and within the time frame prescribed by the authorities but not later than 2 years; in the case of a long-term project, [such time frame] may be renewed for 2 years per renewal but the maximum period should not exceed the date of termination of the project;
2. Temporarily imported goods shall be entitled to suspension of Customs duties at importation and duty exemption at re-export, but must be under the control of customs officers until the time of re-export;
3. Goods classified under the regime of temporary importation include:
   a. Goods imported for certain purposes such as for the usage of diplomats and international organisations in the Lao PDR;
b. Goods imported for the purposes of exhibition, education and experimentation which are re-exported in the original number and condition;

c. Goods imported for processing, [and] assembly into finished products, semi-finished products, improvement or repair and then re-exported;

d. Vehicles to be used directly in production, heavy machinery, tools [and] equipment for production, [and] spare parts, materials and other related equipment used for specific projects or specific production\textsuperscript{34}, such as international bidding projects, foreign companies and international aid projects. The importation of vehicles used indirectly in production, particularly vehicles with less than 30 seats, must be subject to customs duties and other obligations in accordance with regulations at the time of importation, [and] upon completion of activities, the owner of the vehicles must re-export [such vehicles:] customs duties and other obligations paid at the time of importation shall be returned;

e. Empty bags, empty containers, [and] packaging materials for exporting goods;

f. Rented movie film reels;

g. Other goods according to laws and regulations.

4. Temporarily imported goods subject to suspension of Customs duties shall not be sold, transferred or exchanged unless authorised by relevant sectors. To be sold, transferred or exchanged, the customs duties and other obligations must be fully paid according to regulations. In the case where [such goods] have been sold, transferred or exchanged without authorisation, the measures stipulated in Article 52 of this law must be implemented.

5. Remnants from processing [or] improvement, or finished goods [or] semi-finished goods whose quality does not fulfil the requirements for re-exportation [must,] if they are to be used or sold within the country, be subject to full payment of customs duties and other obligations in accordance with regulations;  

6. Persons temporarily entering the Lao PDR with personal belongings which they carry with them, which are appropriate to be used during their stay in Laos and which are not restricted or prohibited goods[,.] shall be subject to suspension of customs duties and other obligations, but such belongings must be re-exported within the time frame that [such persons] have been authorised to stay in the Lao PDR and must have a customs declaration form to guarantee\textsuperscript{35}.

\textsuperscript{34} It appears that “specific projects or specific production” qualifies all the preceding items.

\textsuperscript{35} This appears to be a reference to a “guarantee that the goods will be re-exported”. 

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Article 40. Security Relating to Temporary Importation

For the temporary importation of goods, the importer must make a security contract with the Customs Authority clearly stating that such goods will be re-exported in due time, in their original number and condition. The importation of vehicles for use indirectly in production, particularly vehicles with less than 30 seats, in addition to the security contract, shall be subject to payment of customs duties and other obligations as stipulated in Article 39 of this law.

Part V
Goods under Specific Control

Article 41. Conditions for Specific Control

Goods that fall under the specific control of customs are as follows:

1. Goods which have not been declared in detail as stipulated in Article 19 of this Law;
2. Goods remaining in [bonded] warehouses for other reasons.

Customs officers must record the above-mentioned goods in a special customs register.36

If such goods do not have any sale-purchase value, the Customs Authority may destroy them according to regulations.

Goods which fall under the specific control of customs, which are rapidly deteriorating, causing difficulties or are inappropriate for storage in a warehouse may be immediately sold by the Customs Authority to the public by auction in accordance with regulations[,] and thereafter, expenses, customs duties and other obligations, and fines shall be deducted in accordance with this law. The remaining amount will be kept by the Customs Authority awaiting the owner of the goods for four months from the date of registration in the special customs register.

Warehouse fees and other costs, any deterioration and loss in value of the goods are the responsibility of the owner of the goods.

Article 42. Conditions for Termination of Specific Control

The owner of the goods has the right to claim back the goods and the amount of money from the specific control of customs within four months of the date of registration of goods in the special customs register, but must:

36 The literal translation is “book”. 
1. Pay a fine of 0.01% of the cost of goods calculated for each day from the date of registration in the special customs register excluding public holidays;
2. Pay customs duties and obligations due if the owner wishes to declare the goods for local use;
3. Properly and fully fill out the detailed customs declaration form if the owner wishes to re-export [the goods] to a foreign country, [or to] bring [the goods] under a warehouse regime or into a duty free zone.

Goods and the amount of money that [remain] under the specific control of customs beyond four months without being claimed by their owners, will, after public notice or notification by the Customs Authority, be transferred to the State.

**Part VI**

**Exemptions from Customs Duties and other Obligations**

**Article 43. General Exemptions**

Imported goods exempted from import duty are as follows:

1. Certain types of food for travellers;
2. Certain household items when moving residence;
3. Certain objects obtained through inheritance;
4. Personal belongings carried by [members of] and gifts of delegations which have travelled abroad;
5. Certain types and quantities of personal belongings (excluding motor vehicles) of students, civil servants and Lao diplomats imported [into the Lao PDR] after completion of studies [or] training or after performing official duties abroad for three months and more and [such belongings] are goods of a non-commercial nature;
6. Necessary supplies for education and materials imported for experimentation of a non-commercial nature;
7. Materials [and] equipment for the purpose of scientific research;
8. Fuel remaining in the tanks of motor vehicles;
9. Fuel for international flights by Lao and foreign airplanes on the basis of agreement or reciprocity;
10. Samples that do not have a commercial value;
11. Gifts, grants or loans from a foreign country including payment of debt of the government to a foreign country;
12. Items of humanitarian assistance;

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37 The literal translation is “materials-things”.

38 The literal translation is “students in lower education and higher education”.

39 The translators are aware that it might be unusual for import duty to be payable on debt payments out to a foreign country but this is a literal translation of the text.
13. Equipment to be used in the national defence and public security professions; 
14. Certain types of necessary items necessary for religion on the basis of the authorisation of the relevant state organisation.

The government shall determine the goods that are exempted from customs duties in detail; if necessary, [the government] may issue a list of additional goods that are exempted from Customs duties.

**Article 44. Exemption and Reduction of Customs Duties to Promote Investment**

All importation under an investment promotion policy shall only be subject to the terms for incentives specified in the laws on the promotion of foreign and domestic investment.\(^{40}\)

**Article 45: Exemption of Customs Duties for Diplomatic Missions and International Organisations**

The following goods shall be subject to exemption of customs duties or suspension of customs duties and other obligations based on reciprocity:

1. Personal belongings of foreign diplomats and staff of international organisations enjoying diplomatic privileges;
2. Items used by embassies and international organisations in the Lao PDR, on the basis of approval from the Ministry of Foreign Affairs of the Lao PDR;
3. Items accompanying high-level foreign delegations from foreign countries.

Items of foreign governmental agencies, international organisations or foreign non-governmental organisations are subject to the agreements signed between the government of the Lao PDR and the relevant organisation.

In the case of firm\(^{41}\) information, customs officers may inspect the goods but [such inspection] must be performed in the presence of the owner of the goods or [his] authorised representative, representatives from the Ministry of Foreign Affairs and relevant representatives of the State.

In the case of reliable information and if it may be firmly certified that diplomatic pouches contain restricted or prohibited items, the customs officers must make a memorandum [and] re-export the pouch in coordination with the representatives of the Ministry of Foreign Affairs and the relevant staff of the embassy.

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\(^{40}\) Readers may wish to refer to Article 18 of the Law on the Promotion of Foreign Investment for examples of such incentives in the context of foreign investment.

\(^{41}\) The literal is “very strong”.

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The government shall issue regulations relating to the types, categories and quantities of goods exempted or suspended from customs duties and other obligations.

**Part VII**

**Customs Duties for Special Economic Zone, Specific Economic Zone or Duty Free Zone**

**Article 46. Rules Relating to Customs Duties for Special Economic Zone and Specific Economic Zones**

Goods in the special economic zone shall be subject to suspension of customs duties and shall not be under the regular control of customs officers.

Goods in specific economic zones are governed by relevant laws and regulations.

Goods to be taken out of the special economic zone and specific economic zones for use within the country shall be subject to Article 7 of this Customs Law.

**Article 47. Duty Free Zones and Duty Free Shops**

Goods sold within duty free zones shall be subject to suspension from customs duties and shall not be under the regular control of customs officers.

Goods sold within duty free shops shall be subject to suspension from customs duties and shall under the regular control of customs officers.

Goods to be taken out of duty free zones and duty free shops for use within the country which exceed the quantity limits prescribed by regulations shall be subject to payment of custom duties and other obligations in accordance with general regulations.

The Ministry of Finance shall issue specific regulations relating to the management of duty free zones and duty free shops.

**Part VIII**

**The Use of Boats for Movement of Passengers or Goods along Border Rivers**

**Article 48. Registration of Boats along Border Rivers**

Any boat, the owner of which resides in the Lao PDR to conduct the business of transporting passengers or goods along border rivers, shall be properly registered according to laws and regulations at the [border] customs checkpoint where the boat owner is located.

**Article 49. Customs Rules Relating to Movement along Border Rivers**
Before loading or unloading goods from the boat, a boat that transports goods along border rivers shall, except in the case of an emergency, berth at a pier where there is a [border] customs checkpoint or customs station. Once there, the owner of the boat shall present the boat registration papers, [and] the manifest of the goods transported by river to the customs officers for inspection. During navigation or after berthing at a pier, or if there is a search [and] inspection on board along the navigation route, the owner of the boat must present the boat registration book and the manifest of the goods transported by river to the customs officers for inspection whether or not the boat contains goods or passengers.

If there is a sale [and] purchase, transfer, change to the features of the boat or the boat has ceased to navigate, the owner of the boat must notify the Customs Authority and the relevant organisation where the boat is registered within twenty days from the date of sale, transfer, cessation of navigation or change to the features of the boat.

Part IX
Customs Offences

Chapter 1
Classification of Customs Offences

Article 50. Types of Offences

Customs offences are classified into two types: minor offences\(^{42}\) and serious offences.

Minor offences consist of three degrees as follows:

- Minor offences at the first degree;
- Minor offences at the second degree;
- Minor offences at the third degree.

Serious offences consist of three degrees as follows:

- Serious offences at the first degree;
- Serious offences at the second degree;
- Serious offences at the third degree.

Article 51. Minor Offences\(^{43}\) at the First Degree

Minor offences at the first degree are as follows:

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\(^{42}\) The literal translation is “light offences” and “heavy offences”.

\(^{43}\) The literal translation is “commitment of minor offences at the first degree”.

1. Intentionally providing inaccurate and\textsuperscript{44} incomplete detailed information and this does not impact on the assessment of customs duties and other obligations;
2. Concealing or refusing to provide necessary documents to customs officers as provided under Article 76 of this law;
3. Disturbing [or] hindering customs officers in the performance of their duties;
4. Other offences not classified under other degrees;
5. Intentionally declaring an incorrect name for the person sending the goods at the point of departure and\textsuperscript{45} [intentionally declaring an incorrect] name of the actual receiver of the goods at the point of destination and this does not impact on the assessment of customs duties and other obligations;
6. Importing [or] exporting goods into or out of the Lao PDR through a [border customs] checkpoint that is not in accordance with that stipulated in the license.

Any person who has committed a minor offence at the first degree shall be fined from 150,000 KIP to 5,000,000 KIP.

**Article 52. Minor Offences at the Second Degree**

Minor offences at the second degree are as follows:

1. Committing a minor offence at the first degree which is a second violation;
2. Intentionally providing inaccurate information which has an impact on the assessment of customs duties and other obligations, such as: goods classification, origin of goods, customs [and] tax rates, declared value of goods for customs and other information that has an impact on the assessment of customs duties and other obligations;
3. Declaring an incorrect number of boxes of goods or combining many units [of goods or] many types of goods into one unit or one type of goods and thereafter submitting to the customs officers intentionally\textsuperscript{46} in order to evade customs duties and other obligations;
4. Intentionally declaring an incorrect number of boxes of goods that are under the Customs duties suspension regime, Customs duties reduction and Customs duties exemption;
5. Importing goods that have not been authorised by the relevant sectors;

\textsuperscript{44} The Lao word “and” is sometimes used in a disjunctive sense, often when the authors wish to emphasize the importance of all items in the disjunctive list. Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

\textsuperscript{45} Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

\textsuperscript{46} The placement of this adverb in Lao suggests that intention qualifies all the preceding actions.
6. Decreasing or increasing the number of goods and failing to declare the quantity of goods in [bonded] warehouses;
7. Violating the regime for temporary import or export of goods;
8. Intentionally declaring an incorrect name for the person sending the goods at the point of departure and\textsuperscript{47} [intentionally declaring an incorrect] name of the actual receiver of the goods at the point of destination in order to evade customs duties and other obligations;
9. Providing incorrect information in order to obtain Customs duties exemption;
10. Using vehicles or goods imported under the temporary [importation] regime or under Customs duties exemption or reduction inconsistently with their purposes or violating the temporary importation regime.

Any person who has committed a minor offence at the second degree shall be considered as a person who evades [and] conceals in order to reduce or avoid payment of customs duties and other obligations and must fully pay customs duties and other obligations in accordance with laws and regulations together with a fine equal to one time the amount of customs duties and other obligations which have been avoided\textsuperscript{48} [or] concealed\textsuperscript{49}.

Goods and materials used for concealing, and vehicles\textsuperscript{50} used in the offence, which have been seized and are not restricted [goods] shall be returned to the owner after full payment of all customs duties, other obligations and fines.

**Article 53. Minor offences at the third degree**

Minor offences at the third degree are as follows:

1. Committing a minor offence at the second degree which is a second violation;
2. Importing or exporting non-restricted goods into or out of the Lao PDR with the intention to avoid customs duties;

\textsuperscript{47} Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

\textsuperscript{48} Lao has two different words for ‘evade’ and ‘avoid’, both of which are included in this article. The translators have therefore included both words here even though it appears they are used interchangeably in other parts of this law and that one of the words alone would have sufficed.

\textsuperscript{49} The translators are aware that it is awkward to apply the verb “concealed” to duties and obligations but there was no other way to resolve the literal translation.

\textsuperscript{50} As explained at footnotes 16, the Lao word for “vehicle” and “means” (in the sense of “instrument” or something that facilitates) is the same. This provision could also be translated as the “means of committing an offence”.
3. Concealing goods through the use of vehicles or materials in order to avoid customs duties;
4. Retaining, storing or possessing non-restricted and non-prohibited goods exceeding the amount needed for family use according to prescribed regulations without authorisation or without documents certifying compliance with laws.

Any person who has committed a minor offence at the third degree shall be considered to be an evader of customs duties and must fully pay customs duties and other obligations in accordance with the laws and regulations and pay a fine equal to two times the amount of customs duties and other obligations which have been evaded; if a [minor] offence at the third degree is committed for the second time, the penalty shall be three times.

Goods and materials used for concealing, and vehicles used in the offence, which have been seized and are not restricted or prohibited [goods] shall be returned to the owner after full payment of all customs duties, other obligations and fines.

Article 54. Serious Offences at the First Degree

Serious offences at the first degree are the import or export, movement or possession of restricted goods without proper authorisation.

Any person who has committed a serious offence at the first degree for the first time shall be subject to a fine equal to one time the customs duties and other obligations. All such goods shall be transferred to the State.

Article 55. Serious Offences at the Second Degree

Serious offences at the second degree are the import or export, movement or possession of restricted goods without proper authorisation which is a second violation.

Any person who has committed a serious offence at the second degree shall be subject to a court claim by the Customs Authority and to a fine of two times the customs duties and obligations. All such goods, and materials and vehicles used in committing the offence, shall be transferred to the State.

Article 56. Serious Offences at the Third Degree

Serious offences at the third degree are the smuggling, evasion [and]

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51 Readers should note that, in the Lao language, the same Lao word can mean “instruments”, “vehicles” or “means”. The translators have used context to identify probable meaning.
52 The literal translation is “evasion”.
53 As explained at footnote 16, the Lao word for “vehicle” and “means” (in the sense of “instrument” or something that facilitates) is the same. So this could also be translated as the “means of committing an offence”.
54 The literal is “filing of a petition to the court”.

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concealment, import or export, [and] movement or possession of restricted goods which is a third violation.

Any person who has committed a serious offence at the third degree shall be subject to a court claim\textsuperscript{55} by the Customs Authority and to a fine of three times the customs duties and obligations. All such goods, and materials and vehicles used in committing the offence, shall be transferred to the State.

\textbf{Article 57. Offences Relating to Prohibited Goods}

If customs officers discover illegal goods which are of a general criminal nature, such as: weapons, opium, heroin, amphetamines or other narcotics, the Customs Authority shall carry out a preliminary investigation and send the file, together with the accused and the evidence, to the investigation police officers and prepare a file to be sent to the prosecutors to file a charge.

\textbf{Chapter 2 Responsibilities for Customs Offences}

\textbf{Article 58. Possession of Goods and Means of Transportation}

Any person possessing illegal goods or means of transportation containing such [illegal] goods shall be responsible for such goods and means [of transportation].

Drivers of all types of means of transportation shall have customs and criminal liability if the violation of the Customs Law occurs from their own acts.

\textbf{Article 59. Responsibilities for Customs Declaration}

Persons who have entered into contracts with customs officers shall strictly implement the provisions of such contracts.

Customs declarants shall be responsible for wrongdoing in the declaration of goods to the customs officers.

If there is any falsification of customs declaration forms or other relevant documents with the intention to avoid payment of customs duties and other obligations, the goods shall be confiscated for the purpose of prosecution in accordance with laws and regulations.

Customs agents must be responsible for their business operations in relation to their customs declaration service, and if there is any wrongdoing\textsuperscript{56} in the performance of their duty, they shall be subject to civil or criminal liabilities depending on the nature of the offence.

\textsuperscript{55} The literal is “filing of a petition to the court”.

\textsuperscript{56} Literally “an action that is wrong”.

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Article 60. Civil and Criminal Responsibilities

The owners of goods must have civil responsibility on behalf of individuals who have performed the work under their orders in relation to customs declarations, payments of customs duties and other obligations in accordance with the laws and regulations, including seized goods.

A guarantor must be responsible for the payment of customs duties and other obligations in accordance with laws and regulations which are within the responsibility of the person for whom he has provided security.

Persons who have been adjudicated as having participated in customs offences must have criminal responsibility depending on the gravity of the offence, and must be jointly liable to pay customs duties, other obligations and fines, and to confiscation of goods in accordance with the laws and regulations.

Part X
Prosecutions Relating to Customs

Chapter 1
Conduct of Investigations

Article 61. Investigation

If it is found that there have been violations of laws and regulations relating to customs, customs officers have the right to seize goods and vehicles used in committing the offence, as well as relevant documents for investigation and to serve as evidence in the prosecution.

If it is found that there has been a manifest offence relating to customs, customs officers have the right to arrest offenders together with goods and vehicles used in committing the offence as stipulated in the Law on Criminal Procedure.

If it is found that there has been a manifest offence relating to customs, other officials have the right to arrest the accused together with goods and they must immediately be sent to customs officers for resolution if it is an offence stipulated in Articles 55 and 56 of this law. If it is an offence stipulated in Articles 55 and 56 of this law, customs officers shall, after investigating and preparing a memorandum, send the accused together with the evidence and case file to the prosecutors to file a charge in court.

In the case of a serious offence described in Article 57 of this law, the customs officers must transfer the accused together with the evidence to the police officers for further prosecution.

Readers may wish to refer to Article 16 of the Penal Law for the ways in which a person may "participate" in an offence.

The translators think the break is here, but readers should note that in the original, there are no commas or other punctuation marks in this paragraph to indicate where the breaks in ideas occur.
**Article 62.  Cooperation**

During the performance of the duties of customs officers, if there is a request, civil servants, the military, the police and the people have the duty to provide co-operation [and] assistance to the customs officers in the performance of [their] duties, especially in the monitoring and seizure of goods.

**Article 63.  Preparation of Memorandum**

The preparation of the memorandum stipulated in Article 61 of this law must be carried out immediately by at least two customs officers.

The memorandum shall be prepared in the presence of the accused and read by the accused, [and] if the accused cannot read, a third person will read it aloud [to him;] thereafter the accused and the customs officers must [each] sign or affix a thumbprint on such memorandum. If the offender refuses to sign or affix a thumbprint on the memorandum, it will be noted. The memorandum is made in three copies[,] one copy to be kept in the case file, one copy to be given to the accused and another copy to be kept in the archives.

If the accused cannot be found, after the memorandum is prepared, the customs officers must post it in front of the customs office, customs station or in public places within twenty four hours in order to inform the owner to collect his goods within twenty-one days from the day of the posting. If such period is exceeded, the owner will be considered to have waived his rights and [his goods] shall be transferred to the State.

The memoranda of customs offences shall be valid until there is evidence certifying the contrary, [and] the court may consider the memorandum invalid if such memorandum has not been prepared in accordance with laws and regulations.

**Article 64.  Preservation of Evidence**

Customs officers must protect goods and means of transportation seized as evidence. It is prohibited to use, cause damage to, lose, exchange or misappropriate such evidence, [and] the offender must be responsible in accordance with the laws.

Customs officers shall auction rapidly deteriorating goods or goods that are not appropriate for storage as stipulated in Article 41 of this law. Customs officers must retain the proceeds of such sale until the termination of the prosecution.

In the case of non-restricted goods, customs officers may authorise the owner of seized goods and means of transportation to keep [them] temporarily
pending the resolution of the case but must obtain security according to the laws.

In the case of prohibited goods, the Customs Authority must send the evidence to the police officers for further prosecution.

Chapter 2
Admission of a Case

Article 65. Admission

Customs officers have the right to resolve a customs case on the basis of an admission by the offender and on the basis of laws and regulations.

If the offender admits [his liability for] the payment of customs duties, other obligations and fines as provided in the memorandum of offence, customs officers must prepare a memorandum of admission clearly indicating the terms and conditions of the offender's admission.

Customs duties, other obligations and fines shall be immediately payable; if immediate payment cannot be made, payment must be made no later than within fifteen days from the day the memorandum of admission is made. After payment, non-restricted goods, means of transportation and materials used in committing the offence shall be returned to their owner, except in the cases stipulated in Articles 54, 55, 56 and 57 of this law.

Article 66. Appeal against the Customs Authority

Any owner of goods who does not agree with the amount of customs duties, other obligations and fines paid has the right, within three months from the day the goods have been seized, the day the contents of the case have been recorded in the register or the day the payment of duty and other obligations has been made, to appeal to the Customs Authority in order to request to view the documents or [to request that] the Customs Authority reconsider [the case] in accordance with the laws and regulations.

Chapter 3
Filing of a Claim

Article 67. Right to File a Claim

Customs officers have the right to file a claim against the offender in court in the following cases:

1. Failure to pay customs duties, other obligations and fines;
2. Failure to comply with the admission memoranda;

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59 This expression has the meaning of “the matters relating to”.
3. Failure to cooperate with, [or] denigrating, threatening, obstructing and\(^{60}\) physically abusing customs officers;
4. Failure to comply with a contract or a security agreement\(^{61}\);
5. Failure to comply with the Customs Law;
6. Commitment of other criminal offences.

**Article 68. Filing of a Claim**

In the filing of a claim, customs officers must prepare a case file to submit to the prosecutor or the court. The file must consist of: a request, a memorandum of investigation and other necessary documents. The contents of the request must indicate a summary of the offences of the offender, the charge, the articles of the law that have been violated and the object of the claim\(^{62}\).

The filing of a claim or the conduct of a prosecution in relation to customs must be in accordance with the laws on criminal procedure or civil procedure.

**Article 69. Withdrawal of Claim**

If there is an admission of the case by the offender, the Customs Authority has the right to withdraw the claim before a final decision has been made by the court.

**Part XI
Customs Organisation and Activities**

**Chapter 1
Customs Organisation**

**Article 70. Status\(^{63}\) and Role**

The Customs Authority is an organisation under the Ministry of Finance which has a role in the administration [and] control of customs work within the country in order to collect customs duties and other obligations [for remittance] into the State budget in a centralized way based on a vertical line [of reporting]\(^{64}\).

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\(^{60}\) Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

\(^{61}\) The less formal word “agreement” is used here, even though the rest of this law contemplates the more formal security “contract”.

\(^{62}\) Here, the connotation is of “relief” or “remedy” sought.

\(^{63}\) The same word in Lao is used to describe physical locations and the “position” of an organisational component in relation to the larger system in which it is situated. Where the later meaning is intended, the word has been translated as “status”.

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Article 71. Organisational Structure

The Customs Authority has the organisational structure as follows:

- Customs Department;
- Custom offices at the provinces, cities, and special zone;
- Border customs checkpoints;
- Mobile customs units;
- Customs stations.

Article 72. Rights and Duties of the Customs Authority

The Customs Authority at each level has the following rights and duties:

1. Customs Department:

   - To act as the advisory [body] to the Ministry of Finance in the study of policies relating to customs for submission to the government for consideration;
   - To implement [and] disseminate laws, orders, and various policies relating to customs work in order to raise knowledge [and] self-implementation of laws and regulations[ and] to ensure that all people, [and] all organisations in the society particularly importers and exporters understand the significance and common benefits, and provide active cooperation to the customs work;
   - To supervise, monitor and control the implementation of policies, laws and regulations governing import and export, [and] movement of goods[ and] to prevent smuggling, the evasion of customs duties, and prohibited goods;
   - To administer [and] inspect customs work and customs staff;
   - To examine and resolve the appeal of the importers and exporters;
   - To conduct and resolve customs cases;
   - To collect and provide statistical information relating import and export [and] summarize and report customs work to the Ministry of Finance;

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64 Literally “a vertical line within the professional sector”. This is a reference to observing the strict hierarchy of the line ministries, from department to divisions to offices.

65 The Lao term connotes something that is of a special nature, wonderful, marvelly or very good.

66 As previously explained, the same Lao word may be translated as “inspect”, “supervise”, “monitor”, “control” and “audit”. Here, the context suggests that several of these meanings might have been intended.
• To submit plans relating to the training, education, job allocation, appointment, transfer, [and] rotation of staff within the department, directors and deputy directors of customs divisions, directors and deputy directors of customs divisions at the provincial level, [and] chiefs of international customs checkpoints on the basis of collaboration with the relevant local administration;
• To liaise and cooperate with sectors at central level and with local administrations;
• To liaise and cooperate with foreign countries upon assignment;
• To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

2. Customs divisions at the province, city and special zone:

A customs division need only be set up in the provinces, cities and special zone where there are customs border checkpoints. Where there is no customs border checkpoint, [the customs division] may be merged into one custom division, the details of which shall be determined by the Ministry of Finance.

• To act as the advisory [body] to the Customs Department in the strict implementation of strategies, policies and administrative mechanisms for customs work in their localities in accordance with the laws and regulations relating to customs and other relevant laws;
• To supervise, administer, prepare plans, calculate, [and] collect customs duties and other obligations within their scope of responsibility accurately, fully and in due time;
• To examine and resolve the appeal of importers and exporters;
• To conduct and resolve customs cases;
• To administer and inspect the performance of [those] duties of the Customs Authority that are under their responsibility;
• To disseminate policies, law and regulations relating to customs work;
• To collaborate with other relevant sectors in the performance of their duties;

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67 Readers may wish to refer to footnote 7 above and to note that “sector” here indicates “governmental sector”.

68 The literal word is “office”. Readers may wish to note that terms for the “local bodies” of ministries and ministry-equivalent organisations are determined by the government and do not necessarily follow any consistent or legally-required terminology. As of 2005, the term “division” is typically used for provincial bodies and the word “office” is typically used for district bodies, hence the translators have used the term “division” in this provision.
To submit plans relating to the training, education, job allocation, appointment, transfer, [and] rotation of staff under their responsibility, heads and deputy heads of units within the customs divisions, deputy chiefs of international customs checkpoints, heads and deputy heads of local checkpoints on the basis of collaboration with relevant local administrations;

To monitor, inspect, evaluate and report to the governor of province, city mayor or chief of special zone and to the Ministry of Finance and the provincial finance division regarding the implementation of customs work in their localities;

To summarise, evaluate and report their work to their higher authority;

To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

3. Customs Border Checkpoints:

To implement the work plan, policies, laws and regulations particularly the Customs Law within the area of their [border] customs checkpoints;

To collect customs duties and other obligations accurately, fully and in due time;

To provide services [and] facilitate the import [and] export of goods speedily, with transparency and in accordance with the laws and regulations;

To administer, monitor and inspect the import [and] export of goods passing through the [border customs] checkpoints;

To suppress violations of laws and regulation relating to customs within the area of their [border customs] checkpoints and to conduct prosecutions of offenders;

To collaborate with other relevant sectors within the area of the checkpoint and with local administrations to ensure the uniform performance of duties;

To summarize, evaluate and report their work to their higher authority;

To perform such other tasks as may be assigned by the Customs Authority.

4. Customs Mobile Units:

To strictly implement laws and regulations relating to customs and other related laws;

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69 Here, “sectors” is used in its generally-understood sense and does not have the special meaning of “governmental” cluster.

70 The intended meaning is somewhere between “prevent” and “suppress.”
• To conduct regular patrols to prevent and suppress the smuggling of goods and illegal trade within their operational territory\(^71\);
• To seize goods and vehicles used in committing offences to be used as evidence in the investigation and increase [the chances of] successful prosecutions and to report to relevant organisations;
• To search for and gather information relating to smuggling and illegal trade;
• To collaborate with relevant sectors and local administrations in the performance of their work;
• To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

5. Customs Stations:

• To strictly implement laws and regulations relating to customs and other relevant laws;
• To monitor and build infrastructure for the collection of information and data relating to smuggling, evasion of customs duties and illegal trade;
• To conduct patrols within their operational territory;
• To seize goods and vehicles used in committing offences to be used as evidence in the investigation and to report to the relevant organisation;
• To collaborate with the relevant sectors and local administrations in the performance of their work;
• To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

Article 73. Personnel Structure

The personnel structure of the Customs Authority is as follows:

• Director General, deputy director generals, directors of divisions, deputy directors of divisions, heads and deputy heads of units within the divisions;
• Directors and deputy directors of customs divisions in the provinces, cities and special zone; heads [and] deputy heads of offices;
• Chiefs [and] deputy chiefs of border customs checkpoints;
• Chiefs [and] deputy chiefs of customs mobile units;
• Chiefs [and] deputy chiefs of customs stations;
• Technical staff and assistants.

\(^{71}\) The literal language is “radius of activities”. 

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The appointment or removal of staff at each level must be in accordance with the Law on Government, Law on Local Administration and various regulations issued by the government.

**Article 74. Standards of Customs Staff**

Customs staff must have a clear background, be faithful and be in accord with policies, laws and regulations of the State, have a good personality, have loyalty, have healthy living habits, have never been involved in embezzlement, corruption [or] misappropriation, be observant of their organisation, be disciplined, be in solidarity [with others], be fair, be hardworking, be responsible for their duties, be interested in studying, be in good health, possess good technical knowledge relating to customs and have a good grasp of other relevant laws and regulations.

**Article 75. Maintaining [Confidentiality] of Official Secrets**

Customs staff who perform duties or who have been appointed to perform any duties must strictly maintain the [confidentiality] of official secrets.

**Chapter 2 Rights and Duties of Customs Officers**

**Article 76. Rights of Customs Officers**

Customs officers have the following rights:

1. To conduct searches of people, goods, vehicles, identity cards or travel documents of individuals whether during the daytime or night-time if there is suspicion of violation of laws and regulations relating to customs;
2. To order drivers of vehicles to stop in order to conduct a search if there is suspicion of a violation of laws and regulations relating to customs;
3. To use appropriate methods and necessary tools provided by the authorities to forcibly stop means of transportation [if drivers] refuse to comply with their orders;
4. To enter business premises and warehouses to inspect goods and documents relating to the import [and] export of goods upon obtaining a search warrant from the people’s prosecutor.
5. To monitor and supervise the loading and unloading of goods as deemed necessary;
6. To inspect suspicious parcels in the presence of postal staff in accordance with the laws and regulations of the Lao PDR and the provisions of the Universal Postal Union Convention;
7. To search buildings to look for smuggled goods in case such goods are the subject of continuing pursuit;
8. To be in possession of and use weapons, equipment and various means in accordance with specific regulations;
9. To request assistance in the case of necessity from relevant sectors, local administrations, the armed forces and the people in the performance of their duties in accordance with the laws and regulations;
10. To inspect [and] seize goods which are considered to violate intellectual property [rights] and conventions on the prohibition of the sale and purchase of varieties of plants and endangered wild animals in accordance with laws and regulations;
11. To collaborate with the relevant sectors in the performance of their duties;
12. To exercise such other right in accordance with laws and regulations.

Article 77. Duties of Customs Officers

Customs officers have the following duties:

1. To strictly implement laws and regulations relating to customs and other relevant laws;
2. To collect customs duties and other obligations accurately, fully and in due time;
3. To propagate, disseminate, and provide recommendations to the society, particularly importers and exporters, to increase their awareness, self-implementation and participation, [and to provide] assistance in the payment of customs duties and other obligations;
4. To outline different forms of measures to prevent and suppress activities relating to smuggling [and] the evasion of customs;
5. To maintain the confidentiality of State and official secrets;
6. To perform other duties as assigned.

Article 78. Performance within Operational Territory

The customs operational territory is the control area of the customs officers that extends thirty kilometres inland from the border into the customs territory. If the customs office is outside the operational territory, the operations may extend to ten kilometres around the customs office.

In order to facilitate the prevention and suppression of smuggling, illegal trade and violation of laws and regulations relating to customs, the Ministry of Finance has the right to issue regulations extending the customs operational territory from thirty kilometres to fifty kilometres and from ten kilometres to twenty kilometres around customs offices at specified locations and for specified periods of time.

Article 79. Performance of Duties outside the Operational Territory

In the case of hot pursuit of goods which are smuggled [and] evading customs with firm evidence, customs officers have the right to perform their duties throughout the customs territory as defined in Articles 5 and 78 of this law.
Article 80.  Customs Uniforms and Insignia

The Customs Authority has its own uniform and insignia. During the performance of duties, customs staff, especially customs officers, must wear uniforms bearing the insignia and official badges which are approved by the government.

In certain necessary cases, customs officers may perform their duties undercover, but shall present official badges to the person subject to inspection.

Part XII
Administration and Inspection of Customs Work

Chapter 1
Organisation Administering Customs Work

Article 81.  Organisations Administering Customs Work

Organisations administering customs work consist of:

- Ministry of Finance;
- provincial finance divisions;
- district finance offices.

Article 82.  Rights and Duties of the Ministry of Finance

The Ministry of Finance has right and duty to administer customs work as follows:

- To study strategies, policies, laws and regulations and plans relating to the development of customs work for submission to the government for consideration;
- To issue regulations, decisions, orders, instructions and notifications relating to customs work;
- To supervise, monitor [and] inspect the implementation of the Customs duties collection plan throughout the country;
- To propagate, disseminate policies, [and] laws and regulations relating to customs and other relevant laws;
- To collaborate with various sectors at central and local levels, [and to] supervise, monitor, inspect and promote the implementation of the Customs Law;
- To summarize and report to the government and the National Assembly [on issues] relating to customs work.
- To rewards persons who have outstanding performance and apply disciplinary measures against violators of laws and regulations;
- To exercise such other rights and perform such other duties as stipulated in the laws and regulations.
Article 83. Rights and Duties of the Provincial Finance Divisions

Provincial finance divisions have the rights and duties in the administration of customs work as follows:

- To direct and advise customs divisions and customs staff at the provinces, cities and special zone, to manage the collection of customs duties and other obligations into the State budget uniformly and accurately, fully [and] in due time in accordance with laws and regulations;
- To propagate, disseminate policies, laws and regulations relating to customs and other relevant laws;
- To inspect the performance of duties of customs staff to ensure compliance with the law and regulations;
- To provide advice on the use of accounting regime, statistics and the regime for customs revenue reporting to the higher authority on a regular basis;
- To summarize, evaluate and report to the local administrations and the Ministry of Finance on the implementation of customs work in their localities;
- To rewards persons who have outstanding performance and propose the application of disciplinary [measures] against violators of laws and regulations;
- To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

Article 84. Rights and Duties of the District Finance Offices

District finance offices have the rights and duties in the administration of customs work as follows:

- To propagate, disseminate policies, laws and regulations relating to customs and other relevant laws;
- To monitor, inspect, evaluate and report to the district or municipal administrations and the provincial finance divisions on the implementation of customs work in their localities;
- To exercise such other rights and perform such other duties as stipulated in the laws and regulations.

Chapter 2
Organisations [Responsible] for Control of Customs Work

Article 85. Organisations [Responsible] for Control of Customs Work

Organisations [responsible] for control and inspection of customs work consists of internal control organisations and external control organisations.

Readers may wish to refer to the Law on Local Administration for more information on the roles and responsibilities of these local-level authorities.
1. Internal control organisations are:
   - Ministry of Finance, Customs Department, Department of Finance Inspection;
   - Finance divisions, customs divisions [and] finance control divisions at the provincial level;
   - Finance offices at the district level.

2. External control organisations are:
   - State Control Organisation;
   - State Audit Authority.

In addition to the above organisations, different local administrations, the Lao Front for National Construction, mass organisations, social organisations, mass media and other relevant sectors must participate in the control according to their role.

**Article 86. Rights and Duties of Internal Control Organisations**

Internal control organisations have rights and duties to control the implementation of laws and regulations, the performance of duties and responsibilities of the Customs Authority at each level within their responsibility, especially in the preparation of plans, calculation and collection of customs duties and other obligations accurately, fully [and] in due time in accordance with the laws and regulations.

The government shall issue detailed regulations relating to the rights and duty of internal control organisations in relation to customs work.

**Article 87. Rights and Duties of External Control Organisations**

External control organisations have the rights and duties to control the performance of the roles, rights [and] duties and responsibility of the Customs Authority at each level within their scope of rights and duties to ensure efficiency, transparency and fairness of customs work.

**Article 88. Forms of Inspection**

Inspection of the Customs Authority consists of three forms as follows:

- Regular inspections
- Inspections upon advance notification
- Immediate inspections

Regular inspections are carried out according to plans on a regular basis and at a specified time.

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73 In Lao, “inspection” is the same word as “control”. The context of this article suggests “inspection”.

74 The term indicates surprise inspections, or inspections made without advance notification.
Inspections with advance notice are inspections conducted outside the plan when necessary which require advance notification to the person subject to the inspection.

Immediate inspections are carried out urgently without making advance notification to the person subject to the inspection.

During the inspection process, the Customs Authority, inspectors must strictly comply with the laws and regulations.

Part XIII
Policies\textsuperscript{75} to Persons with Outstanding Performance and Measures Against Violators

Chapter 1
Policies for Performance who have Outstanding Performance

Article 89. Rewards

Customs officers, civil servants, [members of the] military men, police officers and the people who have contributed to customs work by the provision of information, contributed directly or indirectly to the arrest relating to the violation of laws and regulations relating to customs will be reward or receive policies which shall be determined in detail by the government.

Article 90. Policies to Payers of Customs Duties [and Payers] of other obligations

Any importer or exporter of goods who is honest, accurately, fully and timely implements the laws and regulations will be rewarded and will receive facilities in the operation of import and export of goods.

Chapter 2
Measures against Violators

Article 91. Measures against Customs Staff

Any customs staff who has violated the laws and regulations but does not cause any damage to [the collection of] customs revenues and other obligations will be educated and warned.

Any person who has intentionally violated the laws and regulations and creates substantial damage to the [collection of] customs revenue and other obligations will be subject to disciplinary measures in accordance with the regulations [and] must pay compensation for damages.

\textsuperscript{75} “Policies” is often used as an indirect way of referring to “incentives” or “privileges”.
Any person who has violated the laws and regulations and has created substantial damage to interests of the State, the collectives, or individuals, such as abuse of title, [abuse of] power, [abuse of] duty for personal interests, exercise power beyond authority, falsify documents, takes bribe will be subject to prosecution depending on the gravity [of the offence] in accordance with the laws and regulations.

Article 92. Measures against Importers and Exporters

Individuals or legal entities which carry out import [and] export which have violated this law will be subject to various measures such as: education, warning, compensation for damages or subject to criminal punishment depending on the gravity [of the offence].

Article 93. Other Measures

In addition to the penalties mentioned from Articles 51 to 57 of this law, the violators will be subject to confiscation of goods in the following cases:

1. Substituting or attempting to substitute goods in the customs suspension regime;
2. Substituting or withdrawing goods in transit;
3. Substituting or withdrawing goods which are under the control of custom.

If the court decides [and] imposes a sentence for violation of the customs suspension regime, the offender will not be allowed to import or export goods temporarily, will not be allowed to move goods in transit, will not be allowed to temporarily store goods in the warehouse.

Persons who allow their names to be used by offenders in order to avoid penalties stipulated in the second paragraph above will be subject to the same penalty as the offender.

In case goods which were supposed to be confiscated cannot be seized but the Customs Authority has firm evidence, a request can be made to the court to order confiscation in money in place of [such goods].

In the case of several offences, whether minor or serious offences, the imposition of penalties will increase in accordance with the laws and regulations for each type of offence appropriately including the suspension of import-export [activities] or withdrawal of business license.

Part XIV
Final Provisions

Article 94. Implementation
The government of the Lao People’s Democratic Republic has the duty to issue a decree and to implement this law.
Article 95. Effectiveness

This law becomes effective after ninety days from the day the President of the Lao People’s Democratic Republic issues a presidential decree promulgating [such law].

This law replaces the Customs Law No. 04/94 NA dated 18 July, 1994.

All provisions, regulations which contradict this law shall be void.

Vientiane, 20 May 2005
The President of National Assembly

[Seal and Signature]

Samane VIGNAKET