



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister Office

Ref .90/PM
Vientiane Capital, date 09 June 2008

Decree on
Export of Mining Products

- Pursuant to the Law on the Government of Lao PDR, Ref. 02/NA, dated 6 May 2003;
- Pursuant to the Law on Mines, Ref. 049/NA, dated 12 April 1997;
- In reference to the Proposal Letter from the Minister of Energy and Mines, Ref. 584/ME; dated 16 May 2008;

The Prime Minister of Lao PDR issues a Decree:

Section I
General Provision

Article 1. Objectives

This Decree is to determine the principles, regulations and measures related to the management, inspection of explored mines, the production of mining products and export of all types of mining products; aiming at adding value to the commodity prior to export and building the technical foundation for the mining industry aligning it with the direction toward industrialization and modernization.

Article 2. Definitions

- Raw mineral means mineral extracted from the surface or underground which has not yet been processed [unprocessed];
- Mining product means a raw mineral which has been processed either as a semi-processed or finished mining product;
- Semi-processed mining product means a mineral which has primarily or intermediately been processed;
- Finished mining product means the final mining product of the mining industry.

Article 3. Scope of application

This Decree applies to individuals or legal entities operating a business related to mining activities in the territory of Lao PDR.

Section II
The Production of Mining Products

Article 4. The production of raw minerals

The production of raw minerals is the extraction of minerals out of the surface or underground which have not yet been processed by using certain levels of technology, and where the quality of minerals has not yet been upgraded.

Article 5. The production of mining products

A mining product is a raw mineral which has been processed either as a semi-processed or finished mining product.

- The production of raw minerals to become a semi-processed mining product is mineral that is primarily or intermediately processed by crushing, grinding, washing, heating, filtering, and separating the raw mineral to be more concentrated.
- The production of a finished mining product is the final mining product of the mining industry through the process of the semi-processed mining product to become a finished mining product of the mining industry; for instance, transforming lead ore to be lead metal; transforming the copper ore to be copper metal; transforming iron ore to be iron metal and so on by using any production method in accordance with the technical procedures of the mining industry.

Article 6. The promotion of processing raw minerals

The Government of Lao PDR promotes individuals or legal entities who have been granted a concession right or holding a license for purchasing raw minerals to process the raw minerals into semi-processed or finished mining products in order to sell them in the domestic market or export them in accordance with the Government's policy issued in each period of time.

Article 7. Mining products promoted for export

Mining products promoted for export are metal and non-metal minerals, liquid and gas which shall be processed as semi-processed or finished mining products prior to being exported.

Article 8. Mining products promoted for processing and using in the domestic market

Mining products promoted for processing and using in the domestic market are all types of coals.

Article 9. Minerals that businesses are prohibited to use

All types of radioactive products are prohibited to be used in business activities, including exploration, extraction, processing or production, possessing, moving, selling-buying or exporting.

**Section III
The management of production and mining products**

Article 10. The management of mining products

Individuals or legal entities that have been granted [permission to operate] mining business activities shall make a plan for exploration, processing or production, distribution

and export of mining products. Such plans shall be approved by the Ministry of Energy and Mines before implementation.

Individuals or legal entities operating mining business activities shall report the quantity and quality of each type of mining product produced to the Ministry of Energy and Mines monthly, quarterly, semi-annually, annually and five-yearly.

Article 11. The quality inspection of mining products

Individuals or legal entities operating mining business activities shall send samples and results of testing the products produced to the Ministry of Energy and Mines in order to check the mining products' quality and then issue an official certificate before distribution and exportation.

**Section IV
The Export of mining products**

Article 12. Regulations on the export of mining products

The Government of Lao PDR assigns the Ministry of Energy and Mines in collaboration with line Ministries, agencies and local authorities to regulate the rules of export of each type of mining products in each period of time.

Article 13. Procedures for export preparation

The procedures for export preparation shall follow the export regulations of the Ministry of Industry and Commerce in each period of time.

Article 14. Export approval for mining products

Prior to exporting mining products, individuals or legal entities shall have their export plan approved by the Ministry of Industry and Commerce in accordance with the annual plans of exploration, processing or production and distribution of the Ministry of Energy and Mines. Prior to exporting, there shall be an inspection and all fees, customs duties, tax and other fees shall completely be paid in accordance with the laws and regulations of Lao PDR.

Individuals or legal entities exporting mining products shall deposit money in the amount of ten per cent (10%) of the assessed value of such mining products to be exported to the Ministry of Finance.

Article 15. Payment related to export

As for mining products exported from Lao PDR which exceed the cash value determined and allowed by the Bank of Lao PDR for bringing in and taking out of Lao PDR in each period of time. The payment shall be settled through a commercial bank registered and located in Lao PDR and all payment obligations shall be settled in accordance with the procedures stipulated in the relevant laws and regulations of Lao PDR.

Section V
Export inspection of mining products

Article 16. Inspection prior to the movement of mining products out of the production area

The Ministry of Energy and Mines is to appoint the Committee responsible for the management and inspection of the quantity and quality as well as the assessment of the value of mining products prior to the movement of mining products out of the production or processing area. Such Committee shall comprise of representatives from line Ministries, relevant agencies both central and local authorities and has the duty to collect samples of mining products to be tested and sign the export document.

Article 17. Checking points and export inspection of mining products

Checking points and export inspection of mining products will be established at the exploration area, processing factory or smelting factory; at the border checkpoint of Lao PDR where there will be relevant officials to inspect the correctness of the export permit documents.

Section VI
Awards and Penalties

Article 18. Awards

Individuals or legal entities who are outstanding in the implementation of this Decree, including in regard of the contract [commitments], plans and relevant laws and regulations will be rewarded and facilitated in doing business and in other ways as appropriate.

Article 19. Penalties

If individuals or legal entities that have been authorized to conduct mining business activities have exported raw minerals and some types of mining product without permission or avoid paying customs duties and evading tax, they shall pay such customs duties and tax and shall be warned, fined or punished in accordance with the relevant laws and regulations depending on the level of the offense.

Section VII
Final Provision

Article 20. Implementation

The Ministry of Energy and Mines is assigned to coordinate with Ministry of Industry and Commerce, Ministry of Finance, Bank of Lao PDR and other relevant governmental agencies and local authorities to elaborate and implement this Decree strictly and effectively.

Ministries, Equivalent Ministerial Agencies, Local Authorities shall be informed and shall implement this Decree strictly.

Article 21. Enforcement

This Decree enters into force from the date of its signature. Other Regulations, Decisions and Orders issued previously with provisions in conflict to this Decree are nullified.

Prime Minister of Lao PDR



Bouasone Bupphavanh