

(Unofficial Translation)

**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**



Ministry of Industry and Commerce

No. 0224/MOIC.DIMEX

Vientiane Capital, dated 08 FEB 2016

**Decision
on the Import and Export of Rough Diamonds**

- Pursuant to Decree No. 522/PM, dated 23 December 2011 on the organization and operation of Ministry of Industry and Commerce;
- Pursuant to Decree No. 114/Gov, dated 06 April 2011 on the Import and Export of Goods;
- Pursuant to Decree No 180/PM, dated 07 July 2009 on the Procedure to Issue Import License;
- Pursuant to the Notification of the Prime Minister's Office No. 0009/PSPM.DS, dated 06 January 2003.

Minister of Industry and Commerce issues:

Chapter 1

General Provisions

Article 1 Objectives

This decision stipulates principles, rules and measures regarding the import and export of rough diamonds in order to manage and promote the import and export of diamond business in compliance with laws and regulations. It aims at preventing and intercepting the import and export of rough diamonds acquired from conflicts and illegal trade; contributing to economic development and maintenance of peace in society.

Article 2 The Import and Export of Rough Diamonds

The import and export of rough diamonds means bringing rough diamonds or defective diamonds into Lao PDR and processing them by polishing, cutting, shaving in round shape or finishing them for re-export or shipment to a third country.

Article 3 Terms of Interpretation

Terms used in this decision are defined as follows:

1. Rough diamond means pure carbonic form of diamond from natural source, is pure crystal or semi processed that is through a type of synthesis. It has transparent rare color, and it is hard. It has not being cultured and lies in HS code as follows:
 - HS code 7101.10 rough diamond sourced from mine and not graded;
 - HS code 7102.21 rough diamond classified for industrial use;
 - HS code 7102.31 rough diamond classified for non-industrial use;
2. Kimberley Process is an organization governing Kimberley Process Certification Scheme – KPCS, established jointly by governments and international rough diamond industries.
3. License means import license and export license in Lao PDR issued by rough diamond import and export management authority.
4. KPC (Kimberley Process Certification) means certificate of diamond origin issued by the responsible agency of the country of origin.

Article 4 Scope of Application

This decision is issued to apply to individuals, entities, organizations both in domestic and foreign who are concerned with the import and export of rough diamond business operation in Lao PDR.

Chapter 2

The Import and Export of Rough Diamonds

Article 5 Requirements for importer, exporters and requirements for importing rough diamonds

Diamond importer and exporter shall be an individual or entity who operates an import and export business of rough diamond or culturing diamond operator and is holding legal enterprise registration according to relevant laws and regulations.

The import of rough diamond to Lao PDR is required to have origin from member countries of Kimberly Process and is not acquired from conflict or is illegal diamond.

Article 6 Application to import rough diamond

Rough diamond importers are required to submit following documents to rough diamond import-export authority:

1. Application to import rough diamond;
2. A copy of Enterprise Registration and Annual Tax Payment Certificate;
3. Kimberly Process Certificate;
4. Shipping note.

Article 7 Application to export rough diamond

Rough diamond exporters are required to submit following documents to rough diamond import-export authority:

1. Application to export rough diamond;
2. Application for Kimberly Process Certificate;
3. A copy of previous import certificate;
4. A copy of Enterprise Registration and Annual Tax Payment Certificate;
5. Invoice and packing list.

Article 8 Consideration to issue rough diamond import license

After receiving an application to import rough diamond with relevant documents as specified in Article 6 of this decision, the import and export authority will consider to issue import license immediately or not exceeding 10 working days after fully and correctly receiving the entire set of documents.

In case the import and export authority is unable to issue the import license, the authority shall inform the applicant in writing and indicate causes in 03 working days after receiving such document.

The import of rough diamond license is valid for 60 days after the date of its issuance.

Article 9 Consideration to issue rough diamond export license and KPC

After receiving an application to export rough diamond and an application for KPC including documents specified in Article 7 of this decision, the Import and Export Authority shall consider to issue export license and KPC immediately or not exceeding 10 working days after fully and correctly receiving the set of documents.

In case the import and export authority is unable to issue the export license or KPC, the authority shall inform the applicant in writing and indicate causes in 03 working days after receiving such documents.

The export of rough diamond license is valid for 60 days after the date of its issuance.

Article 10 Fees and Service Charge

Fees and service charge for the issuance of import license and export license of rough diamond and KPC shall comply with the Edict on Fees and Service Charges that is effective in each period.

Chapter 3

Rights and Obligations of Importer, Exporter, and Culturing Rough diamond Business Operator

Article 11 Scope of Rights

Importer, exporter and culturing rough diamond business operator shall have following rights:

1. The right to request for import or export rough diamond according to relevant laws and regulations;
2. The right to have its own interests protected according to relevant laws and regulations.

Article 12 Obligations

Importer, exporter and culturing rough diamond business operator shall have following obligations:

1. Pay for customs, fee and service charge as specified by relevant laws and regulations;
2. Periodically and annually report the import or export of their rough diamonds certified by customs authority from border checkpoints and submit to the import and export authority.
3. The import and export of rough diamond shall comply with certificates issued by the import and export authority.

Chapter 4 Prohibitions

Article 13 General Prohibitions

An individual, entity or organization is prohibited to:

1. Cooperate, assist or protect violator of this decision, including relevant laws and regulations;
2. Being agent, give or receive bribe for personal, entity, or group's interest;
3. Other actions that violate laws and regulations.

Article 14 Prohibitions for import or export rough diamond business operator

Importer, exporter, and culturing rough diamond business operators are prohibited to:

1. Import or export rough diamond acquired from conflicts or illegal trade;
2. Import or export rough diamond without permission from the import and export authority;
3. Counterfeit or revise content of import license, export license, KPC and documents related to the import and export of rough diamond;
4. Other actions that violate laws and regulations.

Article 15 Prohibitions for government officers

The involved government officers are prohibited to:

1. Perform tasks without justice, inconsistent with laws and regulations;
2. Use position, rights and obligations for personal, group and relative's interest;
3. Counterfeit, hold or destroy documents on the import and export of rough diamonds;
4. Other actions that violate laws and regulations.

Chapter 5

The Import and Export of Rough Diamond Authority

Article 16 The Import and Export of Rough Diamond Authority

Ministry of Industry and Commerce shall be the Import and Export of Rough Diamond Authority and assigns Department of Import and Export to be responsible on behalf of the ministry and to coordinate with relevant agencies, including Kimberley Process on the implementation.

Article 17 Rights and Obligations of the Import and Export of Rough Diamond Authority

The Import and Export of Rough Diamond Authority shall have following rights and obligations:

1. Disseminate, recommend and implement this order and other relevant regulations;
2. Consider to issue import license, export license, KPC;
3. Attend meetings, seminars etc. to improve knowledge on the implementation;
4. Follow, inspect the import and export of rough diamond;
5. Coordinate with relevant agencies to seize imported rough diamonds which do not comply with requirements, procedures as specified in this decision or rough diamonds acquired from conflicts;
6. Periodically report the import and export of rough diamonds to Kimberley Process;
7. Carry out other rights and obligations according to laws and regulations.

Chapter 6

Incentive to Good Performers and Measures against violator

Article 18 Incentive to Good Performers

An individual, entity or organization who performs outstanding implementation of this decision shall receive praise or other policies according to laws and regulations.

Article 19 Measures against violator

An individual, entity or organization who violates this decision shall be subject to education, fine civil penalty or criminal punishment depending on the seriousness of the violation.

The import or export of rough diamond that does not comply with requirements or procedures as specified in this decision, and diamonds acquired from conflicts shall be seized as state's property and the government shall dispose/sell them according to regulations.

Chapter 7

Final Provisions

Article 20 Implementation

The Department of Import and Export shall coordinate with relevant agencies especially Department of Customs (Ministry of Finance), Department of Economic Police (Ministry of Public Security) and others for the effective implementation of this decision.

Article 21 Effective

This Decision becomes effective on the day it is signed and after 15 days of its publication on Lao Official Gazette.

This decision replaces the Notification of the Minister of Commerce on the Import and Export of Non-Cultured Diamond (rough diamond) No. 0558/MoC.FD, dated 03 June 2003.

Minister
Ministry of Industry and Commerce
(Sign and seal)
Khemmani Pholsena