

(Unofficial translation)



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Finance
Customs Department

Ref no.09523/CD
Vientiane Capital, dated 16 September 2016

Instruction
On the Management of the Levy of 10% Value Added Tax on the Personal Effects of Passengers

- Pursuant to the Customs Law No. 04/NA, dated December 20, 2011, and Amended Customs Law No 57/NA, dated 24 December 2014
- Pursuant to the minister decision on the implementation and management of Customs Department No 1765/MoF, dated 03/06/2015.
- Pursuant to the Provision of Ministry of Finance on the Levy of Value Added Tax of Passengers' Belongings for 10% of Its Value no. 2834/MoF, dated 30 August 2016
- Pursuant to the agreement of Customs Department on 16 September 2016.

Customs Department has issued following instruction:

1. Objective

This Instruction defines rules, procedures and measures on the implementation of the Provision of Ministry of Finance on the Levy of 10% VAT imposed on passengers' personal effects No. 2834/MoF dated 30 August 2016. In order to facilitate the passengers' entry-exit across customs border checkpoints and to ensure collection of 10% of VAT on personal effects is given to the state budget accurately, completely and timely.

2. Term of the explanation

- Passenger means Lao citizen, immigrant, foreigner living in Lao PDR, who enter through customs border checkpoints, including International Airport from time to time or who travel less than twice a month;

- Personal effects of passenger means effects (new or used) which are necessary for consumption during the trip excluding the import goods for commercial propose.
- Consumption goods means daily use goods as necessary in the household;
- Non-commercial Goods means daily life goods, needed in small quantities and doesn't have high value as specified in laws and regulations.

3. Scope of use

This instruction utilize to manage for collecting levy of 10% VAT on personal effects entry into Lao PDR through customs border checkpoints including international airport to comply with the laws and regulations, consistently across the country.

4. The principle of (10%) VAT for personal belonging passenger

The VAT for personal belonging passenger must ensure as following:

- To ensure management revenue given to the state budget correctly, completely and timely;
- To ensure the way of service collecting system as simply, transparently and verifiably;
- To ensure the facility for entry passenger through customs border gates including customs International Airport.

5. Rules and procedure for declaration of personal belonging

- While the passenger entry or exit through border checkpoints, the customs authorities have to inform passengers the rule regarding the declaration of personal effects and hard-copy and/or electronic declaration form so passengers can declare their personal belongings before enter to the country.
- Passenger must fill the official tax form, after arriving at Laos border checkpoints the passengers must submit the tax form to customs authorities in accordance with regulations;
- In case of purchasing of new items from abroad, passenger is required to produce Bill along with the tax form to customs authorities in order to calculate VAT correctly and rapidly;
- Customs authorities at the border checkpoints including at international airport have to designate and allocate specific lanes (channel) at arrival points to facilitate passengers and vehicles with goods to declare and nothing to declare, including allocate parking space for passengers' vehicles with the personal belonging during the declaration and VAT payment.

- Customs authorities at the border have the right to monitor, inspect for actual import and calculate VAT in order to confirm declaration form based on regulations.
- Passengers must fully pay VAT before transporting goods from the border checkpoints.
- For collection of VAT on personal belonging of passengers, Customs Department will use electronic system to enhance facilitation and transparency of administration at the border checkpoints.

6. How to collect VAT (10%) on personal belonging

6.1 Role of customs authorities at border checkpoints:

- Inspect declaration form and personal belonging in order to certify and sign the declaration form.
- Provide fast service, transparency and facilitating the passenger in order to avoid crowded line waiting to pay VAT.
- Calculate 10% VAT for personal belonging that exceeds 50 US dollar (or equal KIP currency or other currencies as banking exchange rate) per person/time by deduct the VAT paid on purchases - sales at the country of origin.
- In case, the value of products in receipt is in foreign currency, it must be converted into Lao KIP based on Bank exchange rate for basic calculate and pay VAT in Lao KIP in the accordance with related regulations.
- In case passenger does not have completed receipt or unclear receipt or no receipt, Customs authorities have the right to estimate value of goods by comparing with the similar or identical goods declared in the past in order to calculate basic VAT. In practice, customs authorities have to explain, justify the estimation of value of goods in accordance with related regulations.

6.2 Role of passenger

- Must Provide actual description of import goods and others detail information into customs declaration form completely.
- Must be sincere and cooperate with customs authorities while doing customs declaration and inspection.
- In case passenger does not have completed bill or unclear receipt or no receipt, passenger must sincerely provide real value of goods to customs authorities in order to calculate VAT.
- Pay full VAT as per the regulations.

7. Measures

- Prohibit officials and customs authorities to allow the VAT (10%) payment of goods, effects imported for commercial propose, which is not compliance with The provision of the Ministry of Finance No. 2834 /MOF, dated 30 August 2016.
- Individual, legal entities including customs officers who are not follow this instruction considered as the violation of customs law and other related regulations.

8. Implementation

The Division of Technology, Information and Planning develop manual or electronic tracking system to manage filing in comprehensive manner and conduct daily revenue report in accordance with related regulation.

Designate customs authorities in every level to disseminate, instruct customs officers, individuals and legal entities or organizations in society to implement this instruction successfully.

Customs Department will study and issue the Decision for customs border checkpoints which has condition to impose 10% VAT case by case.

9. Effectiveness

This instruction has become effective from the date of signature.

Acting Director of Customs Department
(seal and signature)

Mr. Bounpaseuth Sikounlabouth

Attached:

- Deputy Prime Minister, Minister of Finance 1 set “report”
- Deputy Minister of Finance, Leader 1 set “report”
- Relevance Department 1 set “inform”
- Line Division of Customs Department 1 set “inform”
- Customs border checkpoints 1 set “inform and disseminate”
- Copies 04 set.

Customs Department
International border check points.....

ref no. 000000000001

ໃບແຈ້ງເຄື່ອງຂອງຕົວຕົວຜູ້ໂດຍສານ
CUSTOMS DECLARATION FORM FOR PERSONAL EFFECTS

ຊື່ ແລະ ນາມສະກຸນ Name and surname		ທີ່ຢູ່ Address		
ສັນຊາດ Nationality		ໜັງສືຜ່ານແດນເລກທີ Passport/Border pass No:		
ຖະບານລັດ/ຖ້ຽວບິນ Car/ Flight No:		ຈຳນວນຜູ້ຕິດຕາມ.....ຄົນ/person Number of accompanying Member	ມາເຖິງວັນທີ Arrival Date	

ປະເພດເຄື່ອງຂອງທີ່ຕ້ອງແຈ້ງ Type of Goods to Declare				
ລາຍລະອຽດຂອງເຄື່ອງ Description of Goods	ຈຳນວນລາຍການ Quantity	ມູນຄ່າເປັນເງິນຕາ Value in foreign Currency	ມູນຄ່າເປັນເງິນກີບ Value in kip	ໃບເກັບເງິນ Receipt
Consumption good				
Electronic staff				
Construction equipment				

other				
Total in KIP =				
Value added tax deducted from source (if available)=				
Subtract value (\$ 50 US / person) (if available)=				
Basic Tax VAT =				
VAT tax rate 10%=				
Inclusive of VAT=				

I certify that the personal effects is intended to serve for family and all information contained in this form is accurate.

Customs offer (inspector)
customer

Signature

For Customs Officer

Value adjustments: inclusive of
VAT:.....

Reason:

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