



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Industry and Commerce

No. 0623/MOIC.DIMEX

Vientiane Capital, Date 05 June 2019

Decision on Trading Rights

- Pursuant to the Decree on the Organization and Operations of the Ministry of Industry and Commerce, No.230/PM, dated 24 July 2017.
- Pursuant to the Decree on Import and Export of Goods, No.114/GOV, dated 6 April 2011.
- Pursuant to the proposal of Import and Export, No.2349/ DIMEX.GA, dated 27 May 2019.

The Minister of Industry and Commerce issues a Decision:

Chapter I

General Provisions

Article 1 Objectives

This Decision defines principles, regulations and measures about Import and Export Trading rights of foreign to open up trade opportunities by creating favorable conditions in import and export of goods while aiming at promoting strong growth in trade and domestic production, could regional and international economic integration as well as contributing to the national socio-economic development.

Article 2 Trading Rights of Foreign Trader

Trading rights of foreign trader is entitlement of the import and export of goods of foreign trader whose business is not registered in Lao PDR in according to requirements as defined under this Decision.

Article 3 Definition

The terms used in this Decision shall have the following meaning:

1. **Foreign trader** refers to individual or legal entity who is operating business in oversea, which not registered business in Lao PDR.

2. **Domestic trader** refers to individual or legal entity including Lao and foreign nationalities that are conducting business activities and obtaining rights to sell goods in Lao PDR.
3. A **Certificate of Trading Rights** means an official document to verify the rights of foreign trader to conduct business or trade activities.

Article 4 Scope of Application

The decree applies for all foreign traders who have obtained the Certificate of Trading Rights in Lao PDR.

Chapter II

Issuance of Certificate of Trading Rights for Foreign Traders

Article 5 Issuance of Certificate of Trading Rights for Foreign Traders

The issuance of Certificate of Trading Rights is to give the rights to a foreign trader in importing and exporting goods which in line with laws and related regulations of Lao PDR.

Article 6 Requirements of Issuing Certificate of Trading Rights for Foreign Traders

To issue a Certificate of Trading Rights to a foreign trader shall meet following requirements:

1. An individual or legal entity who is conducting business activities in accordance with laws and regulations of the country of the foreign trader;
2. Non-existence of violation record or not be under any investigation or proceeding cases which related to trade and finance;
3. The foreign trader shall be from a member of World Trade Organization.

Article 7 Required Documents for Applying Certificate of Trading Rights

To apply for a Certificate of Trading Rights of Foreign Trader require following documents:

1. An application form designed by Department of Import and Export, Ministry of Industry and Commerce (Form No. 1);
2. A copy of passport or an enterprise registration certificate given by the country of the foreign trader;
3. A certified document of residence or address of the enterprise in the country of the foreign trader;
4. A criminal record or any document that verifies the non-existence violation history
5. A power of attorney letter in case the foreign trader is not able to submit by his/her own.

All the supporting documents as well as the application that submitted by the foreign trader for applying a certificate of trading rights shall be prepared in both Lao and English and certified by the embassy, representative office of Lao PDR in the foreign trader's country, or the embassy, reprehensive office of the country of the foreign trader in Lao PDR.

Article 8 The Procedure for Applying Certificate of Trading Rights

Foreign traders intended to apply certificate of trading rights require the documents shall be as defined in article 7 of this agreement proposed to Department of Import and Export, Ministry of Industry and Commerce.

Article 9 The issuance consideration of Certificate of Trading Rights

After who have obtained to complete and accurate the documents shall be as defined in article 7 of this agreement, The Department of Import and Export shall inspect the contents of the document and issue a certificate of trading rights to a foreign trader no later than twenty business days from the date of receipt.

In case is not able issuance of trading rights to a foreign trader the reasons must be given in written within the fifteen business days from the date of receipt.

Article 10 The re-amendment of the Content, Renewal and Issuance a Certificate of Trading Rights to a Foreign Trader

The certificate of trading rights for foreign trader has usage to three years and able to continue.

Foreign traders have obtained a certificate of trading rights if there is a need to edit content, re-new or re-issue the certificate of trading rights is able to proposals and documents must be submitted (Form No. 2) to the Department of Import and Export, Ministry of Industry and Commerce for consideration of issuing a new certificate of trading rights.

For the time to use of the new certificate of trading rights is to be according to the remaining time of the old certificate of trading rights.

Article 11 The cancellation or revocation for a certificate of trading rights of a foreign trader

The certificate of trading rights of a foreign trader will be cancel or revocation in case following:

1. Foreign traders do not comply with in article 15 of this agreement;
2. Foreign traders is able propose to cancel or revocation their certificates before the expiration date;
3. The certificate of trading rights has expired and has not been renewed

Chapter III

Importation and Exportation of Goods of Foreign Traders

Article 12 Requirements Importation and Exportation of Goods of Foreign Traders

Importation and exportation of Goods of Foreign Traders shall meet following requirements:

1. Has a certificate of trading rights of foreign traders;
2. Each import and export must pass through an international customs checkpoint;
3. Deposit the guarantee in accordance with applicable laws and regulations customs.

Article 13 The procedure for Importation and Exportation of Goods of Foreign traders

Importation and Exportation of goods of foreign traders must follow the procedures set out in the laws and regulations of Lao PDR:

1. Import or export of common goods can process at the checkpoint;
2. Import or export licensing goods foreign merchants must obtain permission from the relevant sector before process at the checkpoint.
3. Import or export goods requiring certification on sanitary and phytosanitary (SPS) measures or to comply with technical regulations (TBT) is coordinate with relevant sectors.

Chapter IV

Rights and Obligations of foreign merchants Certified commercial right

Article 14 Rights of foreign merchants Certified commercial right

Foreign merchants certified commercial right shall be conducted as follows:

1. Import or export goods as defined in the Certificate of commercial;
2. Propose to suspend, renew, modify, revoke or cancelation Certificate of commercial.
3. Trading only with local dealers goods for import and export.

Article 15 Obligations of foreign merchants Certified commercial right

Obligations of foreign merchants Certified commercial right shall be conducted as follows:

1. Notify taxes, vat and other obligations as required by laws and regulations.
2. Save the import and export of every item for a specified period for three years from the date of detailed tax declaration or from the date the goods is moved from the warehouse or the checkpoint.
3. Import and export report by Monthly, period of time and years to department of import and export and the relevant sector.
4. Notice to department of import and export and the relevant sector went have Propose to suspend, renew, modify, revoke or cancelation Certificate of commercial.
5. Implement Obligations other duties in accordance with the laws and regulations of Lao PDR.

Chapter V

Prohibitions

Article 16 Prohibitions of foreign merchants Certified commercial right

Foreign merchants Certified commercial right are prohibited from:

1. Import and export goods have not certified commercial right.
2. Import or export of goods in accordance with the procedures laid down by applicable laws and regulations;
3. To give a certificate to be used by other person
4. To buy or sell directly with a residents or domestic traders who have no right on distribution;
5. To performce other acts that violate to the laws and regulations of Lao PDR.

Article 17 Prohibition for authorities and officers

The authorities and officers are prohibited from any below mentioned:

1. Boggling down or delaying the issuance of a Trading Rights Certificate
2. Obstructing the import and export of goods by a trading right entitlement receiver
3. Abusing his/her power, position, duties to ask for benefits;
4. Abandoning, being irresponsibility and manipulating fact;
5. Creating a indifferent or using a fake documents;
6. Hiding, protecting and providing a cooperation with wrongdoer
7. Disclosing the confidential information of business without permission
8. Having other illegal behaviors

Chapter VI

Management Authority of Trading Rights

Article 18 Management Authority of Trading Rights

Ministry of Industry and Commerce manages a trading rights as a core central and be hamonizing across the country by assigning department of import and export cooperates with relevant agencies in order to implement this decision

Article 19 Rights and Duties of the Department of Import and Export

Department of Import and Export has rights and duties as follows:

1. To consider, make policies, Laws and regulations on import and export of goods of foreign traders in order to propose high level to take a consideration;
2. To advertize, disseminate, instruct the implementation of this decision and other relevant regulations across society;
3. To consider the issuance, prologation and admenment of contents of trading right certificate;
4. Order to suspen, terminiate, cancel, prolongate or stop operating on import and export of foreign traders, re-issue and admend of the content of the trading right certificate;
5. Disseminate to the public through any medias of Lao PDR once issue license, suspense or cancel a trading rights certificate;
6. Control and monitor, inspect the import and export of foreign trader who has a trading rights certificate;
7. Summarize and report on the import and export goods activities of foreign traders to Ministry authorities by quarterly and yearly.
8. Implement other duties as set on the laws and regulations.

Chapter VII

Incentive to Good Performers and Measures against violator

Article 20 Incentive to Good Performers

Certified foreign traders, an individual, legal entity and organization who performs outstanding implementation of this Decision shall receive praise or other policies according to laws and regulations.

Article 21 Measures against Violators

An individual, legal entity or organization who violates this Decision shall be subject to give a warning, education, discipline, to fine, pay for the damage, compensate or criminal punishment depending on the seriousness of the violation.

Chapter VIII Final provisions

Article 22 Implementation

Assign to Department of Import and Export, Ministry of Industry and Commerce to collaborate with other relevant sectors in implementing this Decision as strictly and efficiently as possible.

Article 23 Effectiveness

This Decision is effective from the date of signature and 15 days from the date of publication on Official Gazette.

Minister

Khemani Pholsena