



People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Energy and Mines
Department of Mines

ref no.0011/DOM3
Vientiane Capital, dated 4 January 2019

Notification

To: Director of Provincial/Vientiane Capital Department of Energy and Mines.

Subject: The Procedure to request Plan and Mineral Product for Distribution

- Pursuant to the Mineral Law No. 03 NA, dated 3 November 2017;
- Pursuant to the Prime Minister's Ordinance on Regulatory Amendment and Coordination Mechanism of Business Operations in Lao PDR. No 02/PMO, dated 01 February 2018.

The Department of Mines, Ministry of Energy and Mines would like to inform that: To implement the Prime Minister's Ordinance on Regulatory Amendment and Coordination Mechanism of Business Operations in Lao PDR. No 02/PMO, dated 01 February 2018, In particular, to facilitate the efficient distribution of mineral products within and outside of the country. Hence, the proposal and consideration procedures for the annual mineral distribution and distribution plan are as follows:

I. Proposal and consideration of the distribution plan.

1. Proposal

The company or business unit that may propose a mineral distribution plan must be legally licensed to conduct mining operations in accordance with the laws and fulfill all financial obligations under the concession agreement and relevant laws, which must be as follows:

- 1) Proposal Letter (in the form);
- 2) Distribution plan (in the form);
- 3) Summary of past performance such as production, distribution, distribution value, fulfill of financial obligations to the government (with supporting documents) and advantages - difficulties (in the form).

2. Approval consideration

- 1) The company or business unit must complete the document in accordance with Article I point 1, Department of Mines/Provincial/Vientiane Capital Department of Energy and Mines to consider approving such plan within 1 business day.
- 2) Document procedures: sent to reception -> Board Directors of Department/ Board Directors of Departments of Energy and Mines in Provinces/Capital ->Line Divisions/related Offices -> Board Directors of Department / Board Directors of Departments of Energy and Mines in Provinces/Capital signing approval -> Export.

II. Proposal and consideration of each distribution.

1. The documents that the company or business unit must include:

- 1) Proposal Letter (in the form)
- 2) Documentation of past financial obligations, such as mineral resources, customs duties, taxes and other fees (In case it has been distributed previously);
- 3) Purchase Contract and mineral analysis results.

2. Approval consideration

- 1) When a company or business unit completes its application in accordance with Article II point 1, the Department of Mines/ Departments of Energy and Mines in Provinces/Capital will consider signing the proposal within one business day.
- 2) Document procedures: sent to reception -> Line Divisions/related Offices -> Board Directors of Department / Board Directors of Departments of Energy and Mines in Provinces/Capital signing approval -> Export.

III. Import and export permit for mineral products, monitoring and reporting.

1. Import and export permit of mineral products.

Import and export of mineral products must be approved by the Department of Mines, Ministry of Energy and Mines. The Provincial Department of Energy and Mines has the right to authorize companies or businesses to distribute mineral products at the provincial/capital level for domestic distribution.

2. Monitoring

Assign the provincial Department of Energy and Mines and relevant provincial authorities to monitor the quantity of mineral products the company proposes to move or distribute (including the central project issued permit) with the weighing and use of the mineral movement certificate. The implementation must be prompt, compact, uniform and secure in accordance with regulations.

3. Reporting

Following the completion of the movement inspection or distribution, the Provincial Department of Energy and Mines must report to the Department of Mines for notice each time; In case of a serious incident, urgently report to the Department of Mines and provincial Governor.

IV. Timeline of mineral distribution plan and permission

1. Timeline of mineral distribution plan: Not less than 1 year, follow on the calendar year or on not less than 31 December each year.
2. Timeline of mineral distribution permit: After the permit on mineral distribution is signed, the company must pay obligation for mineral resources within 7 business days. For timeline of mineral distribution permit are as follows:
 - In case of timeline of mineral distribution permit was approved between in January to August. The license is valid for 6 months.
 - In case of timeline of mineral distribution permit, approved between in September to December, the license is valid no later than in February next year.
 - To renewal of mineral distribution permit: In case the company or business fails to complete on distribution, the extension shall be renewed (before expires within 7 working days), but it may be renewed no later than 2 months based on consideration from Energy and Mines Sector. If the company or company has not yet on movement or distribution of mineral products, the energy and mines sector shall consider to determine the cost of recalculation the related fees on mineral resources and taxes. However, if it has been started and not yet completed, it will be subject to the license.

Therefore, this must be informed and implemented this notice.

Acting Director General
(seal and signature)
Khemthan Vongphansiphaset