



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of finance
Department of Custom

Ref.no. 03849/CD
Vientiane Capital, Date 14 Jun 2017

**RECOMMENDATION LETTER
ON IMPORTATION SCHEME, EXEMPTION, FREE DUTY AND REDUCING
DUTY RATE**

- Whereas, The law on Custom, ref.no. 04/NA, Date 20 December 2011; and revised some article ref.no 57/NA, Date 24 December 2014.
- Whereas, the agreement of minister of finance on Duty and Responsibility of Ministry of Finance ref.no.1765/MOF, Date 03 March 2015;
- Whereas, the agreement of minister of finance, ref.no.0549/MOF, Date 28 February 2018, on management and use of importing plans.

To ensure that there are well regulated, monitor, assessment, deduction of importation of goods and services, exemption, free of duty or reducing the rate of duty, accords to investing promotion policy with corresponding to the regulation and laws.

Department of custom has issued guideline as follow:

1. Objective

This recommendation letter (Guideline) to objectively defines the principle, methodology and procedure on register the data into import plan (The master list) control system, to the information management, deduction of importation plans and executive summary report of actual importation of goods and services, to ensure that is well regulating, monitoring, assessment, deduction of importation plan of goods and services, to the exempted item, free of duty or reducing rate on custom duty accords to promoting investment policy to those are importing along international checkpoint in countrywide.

2. Principle and application of this recommendation

This recommendation letter is applicable for the annual import plan, to review, assessment, deduction of actual importation list of goods and services, and the detail of goods and service before the process of custom duty declaration that must comply with regulation and Laws.

3. Importation process and Data entry into Import plan control System (program)

A. The process data entry into the program accord to importing plans (master List) comprises

03 processes as follow:

1. Data Entry;
2. Monitor and summary report;
3. Administration and maintain the system.

B. The process of data entry is conducted after log on into the program master list comprises 05 processes as follow:

1. Filing data into the prepared form.
2. Upload the import master list in excel file into USB or CD.
3. To check the importation plan and print out the approved plans.
4. Entry tracked the reference number into textbox 44 of tax declaration into ASYCUDA.
5. To check the import list accords to Importing plans, then entry into Custom Clearance system.

4. The method for register data into the system

To register data of the goods and services, and items into the import plan control system (Program) that will be processed once, there is well-received approval through the consideration process accords to the annual import plans that were privileged by governmental organizations who have authority to responsible for tax-duty policy accords to the regulation and laws.

To register data into system that is needed to processing data into system (program) by start from the button 01, after that to select the target button as per requirement from various buttons (0001-016) for instance, if there are a files of annual import plan it is saved in USB and CD so that must upload that file into system, by selecting the button 001, if it is needed to print out then, it is just select a button 002, and if you need to register data for another purpose then you just select button by numbers as shown on screen start from (001-016).

To register data and print out of the annual import plan any time that must specify the project name and scanned file number, date, and mention the organization name who has sealed stamp for that annual import plans and the approval agreement with its reference number, Date, and seal stamp (scan first and last page) then enter data into system to keep as centralized data executed for annual import plans management.

In the central level that's assigned to the Department of Custom to conduct for entering and print out the annual import plans for goods and services, exempt, free duty and deduct the duty rate.

In the local level, that processes at the international checkpoint or authorizes custom office where were assigned by Department of custom, and well installation of a system to conduct the importation plans.

Once there is completed data entry into system for annual import plan each time the

authorized custom office must issue the certificate for importer to use this information to file into the tax declaration as its detail in the checkpoint where to import goods and services, items (reference to the certify for data record within system for information management).

In the event that annual import plans are made in provincial level, to custom office needs to elaborate with concern sector to process on data entry into system and coordinate with relevant department who has request for exempt, and duty free, to review and validate the correspond with the exempt tax policy, then issued the certification at the checkpoint and record the data into system (as printing format in system) to manage the information for actual importation if that importation into that province then it's just imported directly, in case there is needed to import through an international checkpoint in another province so let that province who original register data into system as per actual import list, to certify and submit to custom department (Exemption and Reduce duty rate Division) to determine or an approval of that importation at other checkpoint accords the regulations.

To the annual import list that's not correspondence with the law on investment promotion, The law on custom, The law on taxation and The Law on Value Add Tax, that must be summarized report to the department of custom and Ministry of finance, to give the instruction on its implementation.

5. The approving the data record of into the system

To issue the certificate for data record in the system that is needed to use the specific form (as per define within program); all for authorized custom office to use the system to capture the data into system for entrepreneur once the data entry and print out the annual import plan was well processed and they are well stored in the database completely, as per mention in above Clause 4 of this recommendation.

6. Temporary import-export goods and service, product and vehicle

Temporary import goods and services, product and vehicle that is needed to make guarantee contract with authorized custom office for duration of 2 years or not more than period of ending project, if there are any renew contract that should be made by year after year, when contract is ended then they are needed to export as same as original amount, in case there are needed to use for good in country so that is needed to pay tax as per regulation and law.

Temporary importation, after receiving the import approval the importer must filing the importing document to submit to authorized custom office to registry data into the system and request for certificate, and also sign the guarantee contract on temporary import (refers to the format that authorized custom has defined) to entrepreneur they are needed to submit detail of tax declaration (IM5) request for arrival visa at the checkpoint where is needed to import the goods and service; once it is purpose to extend temporary import visa that is needed to file the document to inform to authorized custom office in written (IM5) to extend visa after that has been processed tax clearance comply with regulation and law.

To returning temporary imported goods and services once it is ending of its guarantee

contract that assigns to checkpoint who manage information to review for the import plans and that is needed to have export permit from relevant sector to the submit for the customs sector to process accords to custom regulations.

The temporary import vehicle and heavy machine that is central level who regulate, that's department of custom (Exemption and Reduce duty rate Division), for temporary import and returning goods and services, general product that is checkpoint who is responsible for data entry into system, to monitor, management of import and export temporary import to its original amount accords to custom regulation and laws.

7. Evaluation and summary report

Evaluation and summarized report that is defined within system to track the record for actual importation by categorize the type of imported items, syndicate, permanent import, temporary import, Visa, Extent Visa, exempt, reduce rate and free duty regards to the permission from various sectors who have right, duty accords to the exempt tax policy, where to select the control button start from (001-014) at previous on interface of program.

The summary report of data entry that is accommodated the annual import plan, approval reference number, and Tax Identification Number.

8. How to integrate between master list program and ASYCUDA system

ASYCUDA system is managing the electronic tax clearance system; and importing plan System is the extensive system for controlling, monitoring, reviewing the importation plan and summary report of actual importation, both systems can be integrated and operate as following below:

1. Filling the detail on ASEAN customs declaration Document – ACDD to record the reference number into imported plan System as auto running number 8 into textbox 44 of customs declaration Document (ASYCUDA) so that two systems will be interfaced, and processing on evaluating and deduct the import plans accord to the database that was stored in the system.
2. To process the custom declaration for import and export through the ASYCUDA system as per specify in recommendation letter on customs declaration through the electronic system of Department of customs Ref.no 0097/DOC, Date 06 JAN 2017.
3. The use of two systems is assigned to customs officers at the checkpoint to take a lead to evaluate and review the registration of data into system ensure that is correctly records comply with the regulation.

9. System Administration

System administration (transferring, Locked or unlocked and add new code) that must be process prior the custom clearance process in detail where the system will migrate the data to deduct from master list within the program which was previously stored, system can protect the data, locked or unlocked and add new code for new authorized user accords to

auto running number where is defined at starting from 001-003 and it is approved from system administer at Department of Customs.

10. Measurement

To administrate the system, evaluation, review, deduct from the master list and Custom Clearance System (ASYCUDA) is down where it is not able to process, checkpoint office at the border must immediately report to department of custom of ministry of finance to find the solution on time.

In event that, there is changing (adjustment) or cancellation of master list that must be adjusted properly before approval and registry into annual import plans system, if that adjustment or canceled import plan (master list) has been made so that may be needed to adjust at central level at department of custom of ministry of finance.

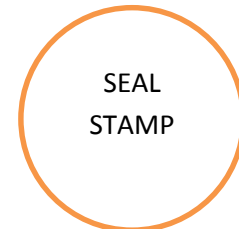
11. Implementation

Assign to the Departments associated with the Department of Custom, provincial inspecting customs unit, capital custom, international checkpoint along the border countrywide and all cross sectors to acknowledge, and collaborate on its implementation solemnly.

12. Effectiveness

This recommendation will be affected since the signatory date.

Acting General Director



Bounpasert SIKHOUNLABOUTH

Copy to:

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| 2. Vice minister of finance | 1 copy each (reporting to acknowledge) |
| 3. Head of Chief cabinet office | 1 copy (reporting to acknowledge) |
| 4. Deputy Director of Department of Customs | 1 copy (reporting to acknowledge) |
| 5. Relevant department of customs Department | 1 copy (reporting to acknowledge) |
| 6. Custom unit and checkpoint along border | 1 copy (reporting to acknowledge) |
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Ministry of finance
Department of Custom

Ref.no. /DOC
Vientiane Capital, Date

CERTIFICATE DATA ENTRY INTO IMPORTATION PLANS SYSTEM

1. Project/Sector Name: Lao Hongthong Industry Company Limited
2. Tax Identification Number (TIN) : 83806860900
3. Investment Type: Domestic Private Investment
4. Address: Ban Sithan Neau, Siskhottabong, Vientiane Capital, Tel: 02055585882
5. Annual import plans: 2017 since 30/01/2017 to 30/01/2018
6. Approval level: Ministry of finance
7. Approved by, Ref.no: 0258/MOFDate 301/01/2017
8. Reference number of the data registry into the system: 00186, Date 15/02/2017
9. Product Type: 19 items, Price in US Dollars: 1,579,180.00
10. Tax-Duty policy: Tax-Duty exempt policy for a private investment project
11. Import at Checkpoint: Friendship bridge III: , XXXXXXXX
XXXXXXXX ,XXXXXXXX
12. Import by the company: 83806860900, Lao Hongthong Industry Company Limited
13. Importer/ Custom Declaration Person: XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Assigned letter Ref.no: Date :

Remarkable: 1. Tracking number 8, accords to record to import plans through automatic system into textbox number 44 of the Customs Declaration Document (ASYCUDA) at the time that processes custom clearance in its detail of import-export.

2. Valid period of annual import plan is 01 year, use of the item of goods and services, product those are defined in annual import plans, and when it is ending period that is needed to renew, if there is not permitted that master list should be aborted immediately.

3. For custom clearance service provider, they need to have officially authorized assign in written.

Director of Division

Head of Unit