



**People's Democratic Republic
Peace Independence Democracy Unity Prosperity**

Ministry of Finance

No 618/MOF

Vientiane Capital, dated 10 June 2016

**Instruction
On the Management and Utilization of the Easy Tax System**

- Pursuant to the National Budget Law No. 02/NA, dated 26/12/2006;
- Pursuant to the Taxation Law No. 05 / NA, dated 20/12/2011;
- Pursuant to the Prime Minister's Decree on National Treasury No. 259/PM, dated 01/06/2010;
- Pursuant to the Prime Minister's Decree on the Organization and Operations of the Ministry of Finance 05 / PM, dated 27 February 2007;
- Pursuant to the Decision of the Minister of Finance on the Electronic Finance Information Administration, No. 0224 / km, dated 21 January 2014;
- Pursuant to the Electronic Transaction Law No. 20/NA, dated 7 December 2012;
- Pursuant to Commercial Bank Law No. 03/NA, dated 26 December 2006.

In order to improve mechanism on modernize tax payment system (Easy Tax) through online banking and electronic tools of banks and to create favorable, safe, modern, transparent conditions and secure the government's revenue collection accurately and timely as well as to introduce guidance on how to allocate revenue budget and allocate of responsibilities for stakeholders on the implementation in compliance with the laws strictly.

The Minister of Finance issued the following Instruction as follows:

I. General principles and regulations

1. To identify taxpayers as individuals, legal entities and organizations, including foreigners which have the obligation to pay tax or other obligations in accordance to the Taxation law

- of Lao PDR, in regards to fulfill the obligation to calculate, inform and submit tax compliance in accordance to the laws and other relevant regulations;
2. Tax notification can be done in 2 ways: 1.) via the tax sector, 2.) via the online tax payment system;
 3. Electronic tax payment is an alternative tax payment methods which it's more convenient and transparent for taxpayers.
 4. Payment confirmation document by individuals, legal entities and organizations through modernize tax payment system (Easy Tax) is the verification document and legal evidence which is saved in the database electronically or printed out from the electronic tools such Internet Banking, Mobile Application, Automated Teller Machine (ATM), or Counter Services others.
 5. The performant on accounting such implementation of the electronic accounting system shall follow the same procedure as manual accounting, modernization must be through pre-use trials, to be fully trained and skillful for work, to integrate financial information system from the relevant agencies to ensure the development of financial statements and approval of the Ministry of Finance;
 6. The accounting entities are implementing the electronic accounting system must keep the accounting information in a stable, secure, and can store data for 10 years and in compliance with the principles of data collection as specified in the Electronic Transaction Law, in such case, If the document is attached to a contract, it must be retained 10 years after the termination of the contract.

II. Procedures and Mechanisms for the Management of Tax Payment System

1. Tax filing with the Tax Office is where the taxpayer can contact the tax sector which the tax filing system (TMIS) is used to calculate or issue an order via a computer system;
2. Online tax filing (E-tax), the taxpayer can request the tax filing name and code with Tax Department in order to access the online tax filing system;
3. Tax payment through Easy Tax System (Easy Tax), the taxpayer can apply the tax return automatically by themselves without go to the tax office and also can deposit money to the National Treasury via Internet Banking, Mobile Application, ATMs, or Counter Service;
4. Forms of Certificate of Payment and Payment Information (Easy Tax), consist of 3 forms:

- 4.1 Payment receipt format is printed on electronic tools include: ATM receipts, counter service, card service, printer, and proximity forms;
- 4.2 Payment receipt format issued by the bank (invoice, statement of the bank) or issued by the tax sector in case of specific certification;
- 4.3 Electronic payment information as data stored in the database;
5. Content defined in the payment confirmation document or electronic database includes:
- Taxpayer identification number;
 - Notification number or order issued (E-tax) and via the counter service;
 - The name of the taxpayer;
 - Tax type;
 - The amount of money;
 - Tax period (Day, Month, Quarter, Year)
 - Bank receipt or bar code / QR code
6. Uses of payment confirmation and electronic payment information

Easy Payment Certificates (Easy Tax) includes: ATM receipt, automated receipt from cash machines, bank service receipt, bank statement, certificate of Tax Payment from the tax sector or any specific electronic system from tax sector and other. The mentioned documents are used as a reference to the accounting records, proof of payment to the government, proof of audit or examination of the relevant authorities and as evidence in the proceeding.

Electronic tax payment information through Easy Tax System includes: payment confirmation messages (SMS), payment received via Email, payment information in electronic forms that can be used as evidence of the tax payment, initial information for inspection by tax authorities and related sectors;

7. The storage of electronic tax verification and the Easy Tax payment information requirements are as follows:
- Keep a copy of the Easy Tax verification document for reference in the examination of tax law;

- Electronic payment information must be stored in a specific server or electronic device that is accessible to the database, printed and used as a references.
- In case of cannot be stored of Easy Tax or Electronic Tax Information has lost and there is a need for additional certification document. The taxpayer has to contact for the invoice or statement with the relevant banks and other documents from the tax department for verification in the case of a specific inspection from internal or external audit.

III. Coordination mechanism and responsibilities in each sector

1. Coordination Mechanism

Ministry of Finance has to set up a Steering Committee - Leading the reform of tax revenue management mechanism and other fees including: Tax Department, National Treasury, Financial Information Technology Center and Banking to coordinate as the following tasks:

- Data collection in details, create road map and consult on the implementation of tax declarations as well as the current tax revenue management process to ensure uniformity across the country;
- Selecting taxpayers as individuals, legal entities for dissemination, guidance on tax legislation, regulations and documents related to tax notification and training of the staff in the financial sector, bank and taxpayers to understand and together implemented;
- Establish a coordination mechanism, focal point to resolve the remaining issues or will occur by set up consultation meeting to seek for solutions or promptly request direction from higher levels.
- Conduct of a pilot project with accounting entities on tax payment system through the banks.

2. The responsibilities of each sector

2.1. Tax sector

- Introduce methods, procedure for the use of easy tax notification and payment to individuals, legal entities or organizations to submit taxes to the National Treasury;

- Issuing an order to a taxpayers, individuals, legal entities or organizations via the tax filing system (TMIS), with confirmation code or barcode on the invoice to issue tax payments through various channels of the bank;
- Facilitate, inspect, monitor businesses, individuals, legal entities or organizations that filing tax return online through the Ministry of Finance's online system for issuing automatic payment (E-tax);
- Calculate and issue order in case of increased inspections, fines and others;
- Controlling system, inspecting and monitoring the notification of transactions and Easy Tax transactions regularly, ensuring accurate tax payment information.

2.2. National Treasury

- The duty is to open Easy Tax Account at banks to follow up the modernize tax payment system and to monitor, check online statements daily;
- Take the reserve bank statement as a inspect document, comparing the GFIS financial information system individually, in the content and in the GFIS system in according to the Easy Tax System of the Ministry of Finance;
- Take the reserve bank statement as a daily, monthly and yearly accounting statement, check for accuracy comparing to Easy Tax System of the Ministry of Finance If the numbers have match, click the Save Account button, then print the Daily Book, revenue and balance for confirmation;
- Summarize the data comparison with the Tax Department, Provincial Tax Department and Vientiane Capital as daily, monthly, quarterly and yearly, report to their management levels and other concerned parties;
- Prior to the daily accounting, the National Treasury Revenue Department in the province, the capital, had to examine details revenue, precise, accurate budget figures comparing to the banking system;
- Keep copies of documents such as: bank reserve statement and GFIS data in the Data Server as electronic form (Easy Tax) ay reference in accounting, proof of audit or examine, as comparison based on accounting rules;
- The National Treasury, the National treasury of the province, Vientiane Capital have tasked to review and compare revenue figures with Easy Tax System and the National Treasury Account opened and active in the bank system on a daily, monthly, monthly;

- The utilization of the Easy Tax for Code Center Revenue is 109, while the revenue of the Code Province is 20. If two of these codes occur simultaneously, it has to contact the Bank for review.

2.3. Financial Information Technology Center of the Ministry of Finance

- Monitoring, maintaining information networks to be able to utilize all times;
- Develop and improve information financial of state (GFIS) and notification taxes (TMIS) as Department of Tax is using up to date with conditions such as it can develop a reports on notification taxes from time to time, the notification system via online including reports related to tax registration management, basic technical training and guidance on how to use interconnection system between information financial of state (GFIS) and notification taxes (TMIS) of Tax Department;
- Develop a Guide Books and joint technical responsibilities between the Tax Department and the National Treasury and the Financial Information Technology Center.

2.4 Banking

- Receive cash or cash transfer from various types of payment as ordered by Tax Sector through the Counter Service or other electronic channels of the Bank as mentioned above and then transferred to the account of the National Treasury which is open to the Bank including other banks;
- Facilitate prompt service to individuals, legal entities or organizations that provide tax returns to the Bank;
- Ensure security for tax payments via electronic systems is transparent and auditable at all times;
- Banks participating in the Easy Tax payment program have to develop their system on the basis of the system that be able to interconnected to the Tax Department, and the National Treasury which are utilizing at this moment, as the Financial Information Technology Center of the Ministry of Finance to cooperate with other sectors for development the system;
- Certify and provide financial information to the taxpayer if needed such as a Bank Statement.

- Assigned Banking Officer as focal point to coordinate with the tax authorities, the National Treasury and Financial Information Technology Center of the Ministry of Finance;
- To coordinate with the Tax Department, the National Treasury and the Financial Information Technology Center of the Ministry of Finance to training on access to Easy Tax for Bankers and tax officials, and to disseminate guidance on use of such system to taxpayers and extend the Easy Tax to all provinces and districts where the system is ready in place.
- Improve, develop the system and electronic tools to provide as modernize, transparent for taxpayers.

2.5 Taxpayer responsibility

- Calculate, report and submit tax payment via Easy Tax to the Ministry of Finance and Bank as accuracy and timely;
- Provide accounting documents, receipts, financial certificates, printed payment certificates by electronic tools such as ATM receipts, counter service, invoices, bank statements, cash machines (EDC/POS), printers and other forms as similar tools and other documents related to the accounting and auditing of tax sector in accordance to regulations;
- Implementation of decisions, instructions and notifications of tax authorities, National Treasury, Financial Information Technology Center of the Ministry of Finance for the delivery of various tax obligations through the Easy Tax System;
- Maintain and keep documents that confirmation on tax payments as reference to be certified in accordance to the Electronic Transactions Law;
- In case of changes to the taxpayer information, the taxpayer must notify the tax authorities where is he/she relies on the information to be corrected.

IV. Modification of the obstacles and implementation method

1. Modification of the obstacles

- In case of system information financial state (GFIS), management notified tax (TMIS) including notification system tax via website (E-Tax) and Easy Tax system are failures and cannot proceed that is need to coordinate urgently by notify to the Tax Department as focal

point for coordination and solution immediately, in the case of the modernize tax system can proceed temporarily, the Tax Department, the National Treasury, the Financial Information Technology Center of the Ministry of Finance and the Bank to follow the normal calculation, tax notification and accounting procedures until the system can be used regularly, and at the same time ensure full retention of the data;

- In case of any change (modification) or cancellation of any tax forms in the Easy Tax System, the taxpayer must submit a request to the tax department where he/she belonging, to request the amendment of such information as well as the tax authorities have to check the amount of tax return and the reason of amendment. The Tax Department, the National Treasury and the Financial Information Technology Center of the Ministry of the Ministry of Finance is required to verify the validity and present the officially to banks in order to process according to regulations.

2. Implementation method

- The Tax Department, the National Treasury, the Financial Information Technology Center of the Ministry of Finance and the Bank to coordinate with relevant sectors to disseminate, advise tax authorities, relevant sector officials, including taxpayers to understand and simultaneously to meet the targets;
- Establish coordinating mechanism, focal point in case of any obstacles occurring from the implementation of this legislation, the Tax Department, the National Treasury, the Financial Information Technology Center of the Ministry of Finance and the Bank have to consult, immediately seek for solution or direct to higher level for direction.

This Order is an effective and implement from the date of signature.

Minister of Finance

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