



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Finance
Tax Department

No. 2798/MOF.TD
Vientiane, Date: 08 July 2019

To: Head of Tax Department of Provinces, Capital across the country.

Subject: The collection of VAT from Transportation service sector

- Pursuant to the Tax Law, No 70/NA, dated 15 December 2015;
- Pursuant to the Law on Value-Add Tax (VAT), No 48/NA, dated 26 June 2018;
- Pursuant to the Prime Minister's decision, No 2834/PM, dated 22 August 2017 on Organizations and Implementations of Tax Department.

To make the management of the Value Added Tax (VAT) from the supply of transportation services in compliance with the laws and uniform throughout the country

The Tax Department issues this Notification as follows:

1. Provincial, Vientiane Capital of Tax Offices throughout the country to strictly enforce the VAT Law (revised) No. 48/NA, dated 20 June 2018 and ended of VAT from transportation services in accordance to the Notification and Guidance of the provinces and Vientiane Capital previously has been issued.
2. The Provincial, Vientiane Capital of Tax Authorities provide guidance to the Tax Offices of district, town and capital across the country and collect the VAT from the transportation services as specified in the VAT Law, No. 48/NA, dated 26 June 2018 as follows:

For the transporter business in the VAT system of the Lao PDR and non-residents:

- To supply of transportation services occurring in the territory of Lao PDR across the country shall calculates on VAT as defined in the Article 11, 13 of Number 2,15, 17 of number 1,18,19,31 and 32 of the VAT Law;
- To supply of international transit services as specified in the Article 12 of number 2.10 on the VAT Law. For the meaning of international transit is transport of passengers or logistics transit in the territory of Lao PDR which is from the beginning transport in one country and the destination is in another country. In case of Laos does not have a reloading system of goods or the reload system in territory of Lao PDR is considered as in international transit duty exempt from VAT.

For the transport services of non-residents and not registered in according to the enterprise law of Lao PDR which apply on transportation services in territory of Lao PDR shall paid VAT by requiring transport services providers from the non-residents to be

charged VAT including compulsory profit tax deduction (in instalment) before the payments to the non-residents supplier as specified in the Article 10 and 15 of the VAT Law and as defined in the 32, 33 and 39 of the Tax Law then make notify of accounting payment within 10 days;

3. Tax authorities of provinces, Vientiane Capital, districts, towns and capital and other sector shall recognize, cooperated and strictly implemented this notification.
4. This notice shall enter into force since the date of signature.

Director General of Tax Department

Sealed and Signature

Phuthanouphet XAYSOMBATH