

Unofficial translation

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Finance
No. 4572/MOF
Vientiane Capital
Date 17 September 2021

Notification

To: - Director General of Department of Customs
- Head of Division of Customs at Provincial and Capital level and the Customs Checkpoints across the country
- Individuals, legal entities, and organizations throughout the country

Subject: Terminate the use of sub-import regime SD4, heading 2 digits 44 at the Custom checkpoints across the country.

- Pursuant to the Tax Law No. 81/NA, dated 29 June 2020;
- Pursuant to the Law on Enterprises No. 46/NA, dated 26 December 2013;
- Pursuant to the Prime Minister's Decree No. 144 / PM, dated 8 May 2017 on the organization and operation of the Ministry of Finance.

Recently, individuals, legal entities, and organizations have applied the SD4 sub-import regime, heading 44-digit at the international customs checkpoints, and local and traditional checkpoints across the country. This implementation generated significant revenue, however, there were difficulties to manage and inspect the imports. Therefore, in managing the import-export of goods, commodities through the border customs checkpoints to be uniform, strict, closed the gap of revenue, collect revenue into the budget completely, in accordance with laws and regulations.

Ministry of Finance's notification that:

1. Terminate the use of the SD4 sub-import regime, heading 2 digits 44, at the Custom Checkpoints (International Customs Checkpoints, Local and Traditional Customs Checkpoints) across the country;

2. Individuals, legal entities, and organizations that used to file taxes in the SD4 sub-import regime, heading 2No. 44 to be declared under Regulation 40 (IM4) as an individual shall comply with the following conditions:

- Have an enterprise registration;
- Have a Taxpayer Identification Number (TIN);
- Have an annual tax payment certificate in accordance with laws and regulations;
- Hold enterprise accounts in accordance with the law on accounting and enter the value-added tax system;
- There is a standard warehouse system and a summary of the number of goods entering and leaving the warehouse;
- Trained as a customs service provider or general taxpayer and must have a User ID card issued by the tax authorities.

In a case where the above-mentioned conditions are not applied, the tax declaration is not allowed. Thus, the applicant shall use the service of the authorized and certified customs service provider.

3. Assign the Department of Customs, Division of Customs at Provincial, Capital level, and Customs Checkpoints across the country in charge of managing, monitoring, inspecting, and giving advice on strict implementation;

4. This notification is effective from 01 October 2021 onwards.

Minister
Bounchom Ubonpaseuth