

(Unofficial Translation)



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Finance
Customs Department

Ref no.00274/CD
Vientiane Capital, October 14, 2015

Instruction on the Management of Import for Re-export

- Pursuant to the provisions of Customs Law No. 04/NA, dated December 20, 2001, as amended vide Customs Law No 57/NA, dated 24 December 2014;
- Pursuant to the Ministry decision on the organization and operation of Customs Department No 1765/MoF, dated 03/06/2015; and
- Pursuant to the Ministry's decision on collection of Fixed Fee for importation of specified goods for exports Under Notification No. 0462/MoF, dated 14/06/2003.

To strengthen the management and implementation of the scheme of import goods for re-export, their processing and transit under customs law and other relevant regulations,

Customs Department hereby issues instruction as follow:

Article 1. Prerequisite

Economic operators who have intend for performing import of goods for re-export to the third country shall obtain business registration complying with relevance regulations. The registration shall clearly identify type of business, service sector of importation and exportation, transport services or other trade related business sector The operator should have profile of good compliance stable finance and fulfil obligations to state, possess secured warehouses, standard transportation vehicle and does not have tax litigation.

Goods for import for re-export shall hold certificate of origin, correct classification, purchase contract, non-prohibited goods, non- intellectual property infringement goods or animals that do not includes in the list of CITES.

Article 2: Principles of approval

Eligible business operator who intend to carry out import for re-export, after concluding sale contract with concerned parties, shall make a formal request with attached supporting documents Customs Department, Ministry of Finance.

Import for Re-export means a procedure of importing goods into Lao PDR in order for re-export of such goods to third country by timeline and the transport road determined by customs authority. The movement, transit and import-export of goods under the procedure of import for re-export shall processed through only international border checkpoints.

Warehouse for storing goods under the procedure of import for re-export shall be under control of customs authority. The warehouse should be located at is in the border checkpoints or designated by customs authority.

At the entry point, the operator shall arrange guarantee agreement with the entry customs checkpoint. After the entry, the shipment shall be re-exported at a single exit point., if the operator request for re-exporting at multiple exit Customs Department shall consider for approval as appropriate.

The guarantee agreement on import for re-export, shall not exceed one month and fees shall collected in accordance with Minister's Decision No 0462/MoF, dated 14/06/2003.

Article 3 Arrangement of Guarantee Agreement

1. A request to make guarantee agreement on import for re-export of goods submitted to the Customs Department 7 days of working day prior arrival of cargo at the entry checkpoint. Customs Department shall examine the request with supporting documents to ensure it complies with Article 1 above.
2. Before concluding guarantee agreement, customs department shall assign responsible division to coordinate with the customs control units at provincial, capital and border checkpoints to check conditions or visit operator's warehouse, warehouse in entry and exit which shall be under control of customs authority to ensure the goods are secured stored as above mentioned in article 1. The request shall be attached with set of documents customs department's examination according to the regulations.
3. Timeline for permitting on import for re-export shall not exceed one month. Transaction of import and re-export be completed within allowed timeline. In case the transaction

cannot be completed within allow timeline the entry checkpoint and exit checkpoint shall seek guidance from Customs Department to solve the problem based on laws and regulations.

4. Prior to making new request in seven working days,, the business operator shall report on previous implementation of import and reexport which has been approved by customs authority. The report shall be certified by both entry checkpoint and exit checkpoint. The Customs Department would not consider the new request unless it receives the report on the previous transaction.
5. After finishing the control to transaction in accordance with the guarantee agreement, Customs checkpoint at entry and exit points and customs control unit shall report on the implementation the agreement them to customs department according to the regulations.

Article 4. right and obligations

4.1 At the entry and exit checkpoint

a. International border checkpoint as an entry point

- Proceed detailed Declaration at international border checkpoint where the goods are imported. Once the goods arrive at the border, them shall be stored in the warehouse under customs control in order to process through selectivity module of ASYCUDA system. After paying all obligations at the entry checkpoint the goods shall be conveyed on the route designated by the customs.
- When declare to the customs, the goods shall be classified in accordance with the applicable Harmonized Tariff Nomenclature. Actual transaction value and other information shall be declared to comply detail customs declaration regulation.
- Customs authority shall control the goods under import for re-export by applying risk management. In case of high risk and physical inspection is needed, the importer shall be participate to facilitate the inspection. The customs officer may inspect all or only some part of goods as risk indication. Inspection Act should be record in the ASYCUDA system. After examination and inspection the goods shall be released from the warehouse or customs border checkpoint.
- Customs at entry point shall coordinate with relevant customs control unit located along the designated route of transport until it reach the destination. The customs at exit point shall process clearance procedures in accordance with relevant regulations.

b. international border checkpoint as an exit point

- When the goods arrive to the exit point, the importer shall declare to the Customs to examine the cargo based on the risk analysis. If inspection is needed, the inspection act shall be record in the ASYCUDA system before release the goods.
- After completion of re-export procedures, customs at the exit point shall keep all document, notify the customs at the entry checkpoint and send all relevant documents to the entry checkpoint for post examination and audit.

4.2 Customs control unit in the capital and province

- Customs control in provinces, the capital shall inform the importer where to declare the documents while the cargo is being transported along the designated route in order to facilitate the movement of the cargo. Strictly monitor the movement of the cargo until it arrives to the exit checkpoint.
- Coordinate with customs at entry and exit checkpoint to firmly control the warehouse used for storing goods under import for re-export. Provide Monthly report on performance of control on goods under import for re-export customs department according to the regulations.

Article 05 Measures

- Customs authority shall control warehouse and examine good under import for re-export based on regulations.
- Goods under the regime of import for re-export are not allow sell in domestic market or used for other proposes which consider as violation to laws and regulations.
- Goods under the regime of import for re-export shall not be moved from from borders checkpoint or warehouses without permission of customs authority.
- In of violating to customs laws the operator will be subject investigation and legal charges accordingly.
- Import fuel for re-export, after obtain contract guarantee with customs Department, when there is import fuel through border checkpoint; it is require to compose Customs Declaration in details and to fulfill fees according to regulations before relocating. These documents shall be sealed and then contact with destination checkpoint to follow up correspondingly.

Article 6. Implementation

The Customs Procedures and Formalities is appointed as main focal point for Customs Department to manage and control the import for re-export procedures.

All Divisions within Customs Department, customs border checkpoints, customs control units and all line agencies to shall be aware and stricly implemenation this instruction.

Article 7. Effectiveness

This Instructon shall replace instruction No 1130/CD, dated 22 May2007 and enter into force from the date of signature.

Director General of Customs Department

[sign and seal]

Athsaphangthong Siphandone