



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Finance
State Asset Management Department

No.0094/SA
Vientiane Capital, dated October 22, 2013

Notification Guidance

To: All Provincial and Vientiane Capital Finance Divisions, Provincial Asset Management Office and all related parties

Subject: The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner.

- Pursuant to State Asset Law No. 14/NA, dated July 5, 2012.
- Pursuant to the Finance Minister's Agreement No. 199/MOF, dated January 21, 2013 on the Organization and Performance of State Property Management Department.
- In accordance with the Finance Minister's Guidance No. 1765/MOF, dated July 04, 2013 on the management of wood exportations for the purpose of revenue collection in timely manner.

The State Asset Management Department, Ministry of Finance issues this notification on the implementation of the Finance Minister's Instruction No. 1765/MOF, dated July 04, 2013 as follows:

1. To designate all State Asset Management Offices to coordinate with relevant government agencies to examine all types of wood products permitted to export: timber, tree root, sawn wood, semi-finished and finished wood products (not including planting trees) and shall follow:
 - Prior to the exportation of timber after approval is obtained from the relevant agencies, the exporter shall notify the Asset Management Authorities by coordinating with the Industry and Commerce Sector and the Agriculture and Forestry Sector for physical inspection.
 - To check and monitor the payment of the royalties and taxes of timber. In the case of lumber, semi-finished and finished wood products, the payment obligation shall be newly issued by identifying the origin of lumber, semi-finished and finished wood products before the movement takes place as well as monitor the deduction to timber used for production.
 - To examine the timber sale contract between seller and buyer in the foreign country including the payment through a bank that conducts its business legally in Lao PDR. The sale contract shall be registered with the State Asset Management Office.
 - To coordinate with the Industry and Commerce Sector and the Agriculture and Forestry Sector by establishing an agreement on the uploading of lumber, semi-

finished and finished wood products onto trucks before moving them out of the processing plant (2), sawmill and others to a foreign country, including the physical inspection of volume, weight, types of wood and documents, the use of customs seals and final signature of the agreement between/among sectors concerned.

2. For moving or exporting timber abroad approval shall be obtained from the concerned sectors/agencies as well as additional documents approved by the State Asset Management without which the timber cannot be moved or exported. The documents shall consist of the following:
 - Sale contract between the seller and the buyer in the foreign country which is registered with the State Asset Management Sector.
 - The receipt for royalty payment, tax payment as stipulated in Paragraph 1 above (with specific form).
 - The physical inspection record of the uploading of timbers including other information especially the condition of Customs seals as stipulated in Paragraph 1 (with specific form).

3. All trucks loaded with timbers for exportation shall be sealed by the State Asset Management Sector in order to prevent any illegal timber when transported. The details of seal, wire and method of sealing are as follows:
 - The tool and seals of the State Asset Management Sector is under the responsibility of the Director of Provincial State Asset Management Division and Vientiane Capital State Asset Management Division who will provide it and will control its use. When finished sealing, one side will show the alphabet [letters], for instance ຊ ລ (State Asset Management (SAM), and on the other side the numbers will appear, for instance 1 – 17, indicating the code of each province within the country as allocated by the National Assembly.
 - The dimension of the seal before use will be 0.4 cm with a small hole at both ends for the wire. When the seal is pressed by the seal tool the dimension of the seal will be 0.6 cm and the wire cannot removed.
 - The wire is made of tin with two layers and specifically designed.
 - After loading of the timber, lumbers, semi-finished and finished wood products has been completed, the inspectors concerned shall sign the inspection paper. The seals will be affixed by State Asset Management officers at the point of exportation in order to prevent opening of the truck covers or containers.
 - All trucks loaded with lumbers, semi-finished and finished wood products shall be covered by a truck cover with all 8 points sealed in order to prevent opening of the cover during transport.
 - All container trucks loaded with lumber, semi-finished and finished wood products shall be sealed at 4 points in order to prevent opening of the cover during transport.
 - The fee or charge for the seals will be collected in the amount of 50,000 Kip per one truck and the owner of timber, lumber will be responsible for it. The objective of the collection of the fee or charge is to buy the wire and tin for the next use.
 - After the seals have been made by the authorities concern, the seals, wire and other equipment shall be safely kept by the Director of State Asset Management Office who will produce a monthly, quarterly, yearly report on the numbers of trucks that uses the seals, the number of seals, the number of wires to the State Asset Management Department as well as to the higher officials concerned.

4. When the seals are completely attached and if further physical inspection is needed and it is found that the number of timbers exceeds the amount approved by the concerned authority, the State Asset Management Office shall make a re-calculation of the royalty payment, other obligations and a penalty fee for the excess undeclared timber for the national revenue.
5. To assign the State Asset Management Office of Provincial Finance and Vientiane Capital Finance Divisions to coordinate and effectively implement Administrative Guidance of the Finance Minister No. 1765/MOF, dated July 04, 2013 as well as this notification and report the progress implementation to the State Asset Management Department periodically.
6. The State Asset officers shall not collude with traders and shall not neglect their duties.
7. This notification shall enter into force from the date of signing.

Therefore, this notification is made and it shall be strictly implemented.

Director-General

(Signature and Stamp)

Chanthanom Phitthasone

State Asset Management Department