

LAO PEOPLE'S DEMOCRATIC REPUBLIC PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

President's Office

No. 138/PO

DECREE

of *the* **PRESIDENT** of *the*

LAO PEOPLE'S DEMOCRATIC REPUBLIC

On the Promulgation of the Law on Heritage and Basis of Inheritance

Pursuant to Chapter 6, Article 67, point 1 of the Constitution of the Lao People's Democratic Republic;

Pursuant to Resolution No. 52, dated 9 November 2005, of the 9th Ordinary Session of the National Assembly regarding the adoption of the Law on Heritage and Basis of Inheritance; and

Pursuant to Proposal No. 19/SCNA, dated 18 November 2005, of the National Assembly Standing Committee.

The President of the Lao People's Democratic Republic Decrees That:

Article 1. The Law on Heritage and Basis of Inheritance is hereby promulgated.

Article 2. This decree shall enter into force on the date it is signed.

Vientiane, 9 December 2005 President of the Lao People's Democratic Republic

[Seal and Signature]

Khamtai SIPHANDON



LAO PEOPLE'S DEMOCRATIC REPUBLIC PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

People's Supreme Assembly

No. 03/90/PSA 27 June 1990

LAW ON HERITAGE AND BASIS OF INHERITANCE

Part I General Provisions

Chapter 1 Heritage and Basis of Inheritance

Article 1. Heritage

Heritage refers to all types of property, including rights and obligations, of a deceased person, except for those rights and obligations specified by the laws or by contract to be performed by the deceased himself.

Heritage may include initial assets and matrimonial property.¹

Initial assets refers to the property that was owned by the husband or wife before marriage or acquired after marriage through any inheritance, gift or conditional gift specifically to either the husband or wife and that is still existing or has been transformed into new assets.

Matrimonial property refers to property gained and acquired by the married couple during married life, except for assets for personal use with low value.

Article 2. Inheritance

Inheritance refers to the devolving of property, rights and obligations of a deceased person to the entitled heirs by the operation of the law or under a will.

¹ Readers may wish to refer to Article 26 of the Family Law for more information on matrimonial property and initial assets of husband and wife.

Article 3. Heritage of a Person Declared by Court as Deceased

When an individual is declared as deceased by a court, his heritage will devolve upon the entitled heir(s). If thereafter the said deceased person is found to be still living, the heir(s) shall return such heritage or the remaining part back to him.

Article 4. Date of Opening of Inheritance

The opening of inheritance commences from the date the owner of the heritage dies. In the event that the owner of the heritage is declared as deceased by a court, the date of the issuance of the decision shall be considered as the date of opening of inheritance.

Article 5. Place of Opening of Inheritance

The last permanent address of the owner of the heritage shall be the place of opening of inheritance. If the address of the owner of the heritage is unclear, the location of important heritage will be considered to be the place of opening of inheritance.

The opening of inheritance shall take place in the presence of a notary public or of the village head.

Chapter 2 Heirs

Article 6. Heirs

Entitled heirs are: children (offspring, adopted children, stepchildren), surviving spouse of the owner of the heritage. If the owner of the heritage has no child, and no spouse, his relatives will also be entitled to receive the heritage in the following order:²

- 1. Relatives of direct lineage: parents or paternal grandparents and maternal grandparents or great grandparents;
- 2. Relatives of horizontal lineage: older and younger brothers and sisters, or paternal uncles and aunts and maternal uncles and aunts, or nephews and nieces;
- 3. The State, or legal entities and other individuals as specified in this law.

During the distribution of heritage, the closest relatives to the owner of the heritage are entitled to receive their shares first. Relatives of the next order will only receive the distribution when there are no closer relatives of the owner of the heritage left.

² The translators understand that within each category, relative closeness is indicated by sets of nouns, where the items within each set are joined by the conjunction "and" and the different sets are distinguished by the conjunction "or".

Chapter 3 Forfeiture of Right to Inheritance

Article 7. Embezzlement of the Heritage

Entitled heirs concealing or removing part of the heritage exceeding their shares will not receive any part of the heritage. But if such embezzlement, concealment and removal is less than the entitled distribution, they will not receive the remaining additional parts they would otherwise have been entitled to receive.

This article will not be applied to the entitled heirs under a will to whom the owner of the heritage has made the will in advance to make a conditional gift to such heirs.

Article 8. Forfeiture of Right to Inheritance

Parents losing their rights of parenthood by a court decision will not have the right to inherit property from their children[;] similarly, the children will not have the right to inherit from their parents.

In the event that parents are declared by a court decision to be not fulfilling their obligations in supporting their children, they will not have the right to inherit from their children. Also, the children who reach maturity and are declared by a court decision to be not fulfilling their obligations in caring for their parents will similarly not have the right of inheritance from their parents.

Article 9. Persons Forfeiting the Right to Inheritance

Persons forfeiting the right to inheritance by law or by will are:

- 1. Persons declared by a court decision as having intentionally caused or attempted to cause death or serious injury to the owner of the heritage or the entitled heirs in order to appropriate the heritage;
- 2. Persons destroying, concealing or counterfeiting a will in whole or in part;
- 3. Persons residing in the same province or district as the deceased who, upon knowing about his death, fail, without any reason, to either arrange a funeral or to entrust another person to participate on their behalf;
- 4. Persons threatening the owner of the heritage to make, revoke or alter a will in whole or in part;
- 5. Persons concealing or hiding violators who have affected the life or health of the owner of the heritage by causing serious injury to or disabling [him];

6. Persons declared by a court decision as slandering the owner of the heritage or the entitled heirs as stipulated in Article 152 of the Penal Law³.

The above-mentioned individuals will lose their rights to the inheritance only when the owner of the heritage expressly writes down his intention, except if he is deceased as stipulated in points 1, 3 and 5 of this article.

The owner of the heritage may cancel such forfeiture of rights, but shall similarly express such intention in writing.

Chapter 4 Acceptance and Waiver of Heritage

Article 10. Acceptance of Heritage

An entitled heir by law or by will expressing his intention to accept the heritage before the office of the notary public or to the head of the village where the opening of inheritance takes place will be considered as an acceptor of the heritage.

Acceptance of heritage shall take place within a period of six months from the date of the opening of inheritance.

In the event that an heir waives his right to the heritage, the person who wishes to accept the portion waived shall express his intention to accept such heritage within the remaining period. If the remaining period is less than three months, the person who wishes to accept has the right to request the court for an extension of such period but by no more than three months.

The office of the notary public or the village head shall issue a certificate of inheritance to the heir(s) as evidence.

Article 11. Heritage Which is not Accepted in Due Time

Heritage which is still in its original form devolving upon any heir who has not accepted it within the specified period mentioned in paragraph 2 of Article 10 above but which has been accepted by another heir or handed over to the State will be returned to the initial heir who did not present [himself] to accept the heritage, but only if the other heir, who has received such heritage, consents. Even if the other heir does not consent, the court will consider a decision in [the initial heir's] favour if there is sufficient reason.

In the event that an heir by law or by will dies after the opening of inheritance has commenced but did not accept his portion of heritage within

³ This is a reference to an older version of the Penal Law. The current provision as at July 2007 is Article 163 of the 2005 Amended Penal Law.

the specified period mentioned in paragraph 2 of Article 10 above, his heirs will be entitled to accept the heritage.

Article 12. Right to Decide over Heritage

Prior to the opening of inheritance or the receipt of certificates of acceptance of heritage, if other heirs have not yet participated to receive their share of heritage, the guardian or heir who has the heritage in his possession will not have the right of decision over such heritage, unless there are expenses for the following:

- 1. Medical treatment, care or funeral of the owner of the heritage;
- 2. Care of individuals under the support of the owner of the heritage;
- 3. Payment of the wages and other obligations of the owner of the heritage;
- 4. Preservation and management of the heritage.

Article 13. Waiver of Heritage

Heirs by law or by will have the right to waive the heritage within six months from the date of the opening of inheritance.

Persons waiving their heritage shall express their intentions in writing to the office of the notary public or to the village head by specifying persons or organisations in favour of whom the heritage is waived. In the event that such persons or organisations are not identified, the heritage will be devolved to other heirs by law.

Persons waiving their portion of heritage and their heirs do not have the right to reclaim such waived heritage.

Article 14. Waiver of Heritage Belonging to Children who Have Not Reached Maturity and to Persons Having No Capacity to Act

Heirs who have not reached maturity or who are persons having no capacity to act will not be able to waive the heritage, unless their parents or their guardians consent.

Part II Rights of Inheritance by Law

Chapter 1 Distribution of Heritage Among Heirs by Law

Article 15. Cases Entailing Inheritance by Law

Inheritance by law will take place in the following cases:

1. The heritage is without any will to identify any legatees;

- 2. The will is invalid or the heirs(s) by will die before the opening of inheritance;
- 3. The heir specified in the will refuses to accept the inheritance;
- 4. There remains a part of heritage from the inheritance by will.

Article 16. Distribution of Heritage Between the Surviving Spouse and Children

In the event that a person dies leaving a spouse and children behind, the children have the right to inherit the initial assets of the deceased person. The matrimonial property shall be divided into two equal parts, the first half to be given to the surviving spouse and the other half to be divided into equal portions among the children.

The surviving spouse has the right to administer the assets devolved upon children who have not reached the age of maturity.

Article 17. Distribution of Heritage Between the Surviving Spouse and Relatives of Direct Lineage

In the event that a person dies without offspring leaving behind only a spouse and relatives of direct lineage, the distribution of heritage shall be executed as follows:

- 1. Relatives of direct lineage will receive the part of heritage composed of all the initial assets of the deceased person in the order of closeness with the deceased by dividing into equal portions;
- 2. The surviving spouse will receive only all of the matrimonial property belonging to the deceased person.

Article 18. Distribution of Heritage Among Relatives of Horizontal Lineage

If the deceased person has neither offspring nor relatives of direct lineage, but leaves a spouse behind, the relatives of horizontal lineage will only receive half of the initial assets of the deceased person, and the other half and all matrimonial property will devolve upon the surviving spouse.

The distribution of heritage among relatives of horizontal lineage shall be made in equal portions.

Article 19. Distribution of Heritage Among the Children of the Deceased

The distribution of heritage among the children of the deceased person shall be executed as follows:

- 1. If the deceased person only has offspring, the heritage devolved upon them shall be shared in equal portions;
- 2. If the deceased has offspring, adopted children, and stepchildren, the adopted and stepchildren will receive equal portions as the offspring;

In all cases, the stepchildren will only receive the part of heritage composed of the matrimonial property of the deceased;

- 3. Adopted children will have no right to inherit from their original parents;
- 4. If the above-mentioned children have behaved unfairly to their parents, have refused to be maintained under their parents, or have failed to take care of their parents during old age or illness although they have the capacity to do so, [they] will be considered as forfeiting their right of inheritance and will be treated in the same manner as described in paragraph 2 of Article 9 of this law.

Article 20. Right to Receive Heritage Devolving upon Unborn Children

The unborn child of the owner of the heritage is also entitled to receive the distribution of heritage.

Article 21. Inheritance Between the Head of the Family and Servants

If the head of the family dies without heirs, servants in the family for more than three years, who have taken care of the house and of the concerned person during illness, will also⁴ inherit such heritage.

If the servant dies without heirs, the head of the family will similarly inherit the servant's heritage.

Article 22. Heritage without Heirs

When a person dies without heirs or the heir's location is unknown and no claim is made within six months, the whole heritage will be under the administration of the State.

If the period of limitation for a lawsuit terminates as prescribed in Article 30 of this law, such heritage will become the State's property.

The office of the notary public or village head participating in the opening of inheritance will determine the appropriation of a part of the heritage for arranging the funeral of the deceased person and paying debts of [such] person.

Article 23. Heritage of Monks and Novitiates

When a monk or novitiate dies without heirs or without assigning any asset to any person or organisation, all such assets will belong to the pagoda.

⁴ The connotation here is that servants would not usually receive this inheritance, but in these circumstances, they will.

Article 24. Right of Inheritance of Separated Spouses

Separated but not yet legally divorced spouses still have the right to inherit from each other.

Chapter 2 Replacement of Inheritance

Article 25. Replacing Heirs

When a person who is an heir by law dies before the owner of the heritage, the replacing heirs have the right to succeed him in their respective order. If the replacing heir dies, his replacing heirs shall receive the heritage and so on.

Article 26. Conditions for Replacing Heirs

A replacing heir shall be:

- An heir by law;
- Children of the entitled heir who has died.

Article 27. Right to Waive Inheritance

Any person who has waived the heritage that devolved upon him and which was accepted by another person also has the right to be a replacing heir of such heritage.

Chapter 3 Request for Distribution of Heritage

Article 28. Request for Distribution of Heritage

Any heir may request for the distribution of heritage, except as otherwise provided in a contract.

If there is an heir who is under the age of maturity, the distribution of the heritage may be postponed until such heir reaches maturity or if it is deemed necessary to proceed with the distribution of the heritage at that time, the court shall decide on the distribution.

In any case, if a spouse in a couple dies and the surviving spouse has married again, the children may request for distribution of the heritage.

Article 29. Inventory of Heritage

Before the distribution of heritage, an inventory of the assets of the owner of the heritage shall be established as follows:

- 1. Assets that the owner of the heritage has lent, consigned or mortgaged. Assets that are embezzled, concealed, or misappropriated by others prior to his death;
- 2. Funeral expenses and other debts of the owner of the heritage.

After settling the list of receivables and payables, the heirs can divide the heritage in their respective portions.

Articles 30. Period of Limitation for Petitions on Heritage

Petitions on heritage may take place within three years from the date of the death of the owner of the heritage or from the date the heir knew or should have known that the owner of the heritage was dead. If this period has passed, the right to bring a petition will be terminated, unless there are sufficient reasons.

Article 31. Distribution of Heritage in the Possession of an Heir

Any heir possessing heritage that has not been distributed has the right to request for the distribution of such heritage at any time even though the period of limitation provided in Article 30 of this law has passed.

Part III Right to Inheritance by Will

Chapter 1 Establishment of Wills

Article 32. Right to Make Gifts or Establish Wills

All citizens have the right to make a gift, make a conditional gift or establish a will devolving their property to one or several individuals, or to State organisations, collectives and social organisations by their own intention before death.

A gift refers to the devolving of one's property to other persons without conditions during one's lifetime. The beneficiary will become the owner from the date he receives the property.

A conditional gift refers to the devolving of one's property to others with conditions during one's lifetime. The beneficiary will become the owner of such property when such conditions agreed with the conditional donor are completely performed.

Article 33. Scope of Rights for Gifts, Conditional Gifts or the Establishment of Wills

During his lifetime, the owner of the heritage does not have the right to make a gift or conditional gift or establish a will to devolve all his property to one child or individual if he has other inheriting children.

The gift, conditional gift or the establishment of a will shall proceed as follows:

- 1. If the legator⁵ has one child, it shall not exceed more than half of his total property;
- 2. If the legator has two children, it shall not exceed one third of his total property;
- 3. If the legator has three children or more, it shall not exceed one fourth of his total property.

Article 34. Written Will

The establishment of a written will may be done by the legator himself. If another person writes it for him, there shall be at least three witnesses participating, who shall keep [it] secret until the opening of inheritance.

The will shall specify the place and date of the establishment of the will, the type and quantity of property to be assigned, the names of the legator and legatee(s), and the names of the writer and witnesses.

The legator, writer and witnesses shall appose their signatures or thumbprints on the will.

After completion, the will shall be kept in a wax-sealed envelope and then registered with the office of the notary public or the head of the village where the legator resides.

Article 35. Verbal Will

Any person who is unable to establish a written will due to being in a critical near-death condition, or due to poor health or other causes, may make a verbal will in the presence of at least three witnesses.

These witnesses shall immediately notify the instructions of the legator to the office of the notary public or the village head and clarify the reasons why such person was unable to make a written will.

A verbal will will cease to be enforceable after one month after the legator has recovered his normal condition of health.

⁵ The term translated here as "legator" is the same Lao word as "owner of the heritage". In this Part, the translators have used "legator" because the context is that of an inheritance by will.

Article 36. Alternate Heirs

The legator has the right to designate an alternate heir to replace the heir he has initially designated if the initial heir dies before opening the will or refuses to accept the heritage.

Article 37. Rights of Heirs by Will

If the deceased legator has assigned a portion of the property by will to any heir by law, such heir, in addition to receiving the heritage by will, will also receive the portion of heritage devolving upon him by law.

Article 38. Persons not Entitled to Receive Property through Written Will

The writer of and witnesses to the will and their spouses will not receive property through such will.

Article 39. Appointment of an Administrator of the Property

The legator may appoint an administrator of the property in the event that he intends to establish a will in favour of a person who has not reached the age of maturity or has no capacity to act.

Such administrator may appoint another person to replace him as administrator unless the legator has provided otherwise in the will.

The right of such administrator will be terminated when the child reaches maturity or when the person without the capacity to act recovers to a normal situation.

Chapter 2 Abrogation of Will

Article 40. Alteration or Abrogation of Will

The legator has the right to alter or abrogate the will he has established at any time by making a new will.

Such new established will supersede the previous one in whole or only in the part which is contrary to the new will.

Article 41. Causes Leading to the Abrogation of Wills

An established will shall be abrogated when:

- 1. The heirs by will die before the legator;
- 2. The heirs by will waive the heritage specified in the will;
- 3. Property devolving under the will is lost or destroyed by the legator;
- 4. The will is recognised as invalid.

Article 42. Invalid Wills

A will shall be considered as invalid when:

- 1. It is established by a person who is under the age of maturity or has no capacity to act;
- 2. The object of the will is unclear;
- 3. It is established under duress or deceit, [or it is a] counterfeit;
- 4. It is established in favour⁶ of persons mentioned in Article 38 of this law.

Chapter 3 Execution of Wills

Article 43. Appointment of an Executor of the Will

The following persons may appoint executors of a will:

- 1. The legator;
- 2. The person specified by the will or any person having a right of inheritance.

If the legator dies and no person has been appointed as executor of the will or if the appointed person disappears or does not display honesty or is unable to perform [his rights and duties], the court will designate the executor of the will.

Article 44. Rights and Duties of the Executor of the Will

The will may be executed only when the legator has died.

The executor of the will has the right to do all that is deemed necessary and adequate to execute the will.

The executor of the will shall not receive any bonus for the execution of the will, and shall only receive compensation for necessary expenses in the preservation and administration of the heritage.

The executor of the will has the duty to report his activities to the heirs based on their request.

⁶ In the Lao text, the word used is literally "give", however the meaning is not that of a gift as defined in Art. 32, but rather the establishment of a will in favour of a person.

Part IV Preservation of Heritage and Responsibilities of Heirs

Chapter 1 Preservation of Heritage

Article 45. Measures for Preservation of Heritage

Upon a request for the administration of heritage or a case of necessity, the office of the notary public or the head of the village where the opening of inheritance takes place shall determine measures to preserve the heritage or designate an administrator of the heritage in order to guarantee the interests of the State, heirs and creditors.

Article 46. Person Who Shall Not be Administrators of Heritage

Persons who cannot administer a heritage are:

- 1. Persons who have not reached the age of maturity;
- 2. Persons with no capacity to act;
- 3. Persons declared bankrupt by the court.

Article 47. Rights and Duties of Administrators of Heritage

The rights and duties of the administrator of the heritage are as follows:

- 1. To establish an inventory of the heritage in the presence of the heirs. In the event that there are several heirs, at least two of them shall be present, and such inventory shall be completed within one month after the appointment of the administrator;
- 2. To receive the claims of creditors and to settle the legator's debts before the heirs receive the heritage;
- 3. To distribute the heritage to the heirs according to their respective portions.

The administrator of the heritage does not have the right to claim for any allowance for the administration of the heritage, unless the heirs are willing to give it.

Article 48. Cancellation of the Appointment of the Administrator

If any administrator fails to perform his rights and duties or [performs] carelessly or without good faith, the relevant office of the notary public or village head has the right to cancel the appointment of such administrator and appoint a new administrator as a replacement within seven days from the date of such cancellation.

Chapter 2 Responsibilities of Heirs

Article 49. Settlement of Debts

Heirs, by law or by will, shall settle [those] debts of the owner of the heritage which do not exceed the portion of the heritage devolved upon them.

If the heritage has not been distributed yet, the creditor has the right to claim for settlement of all debts from the heirs or from the administrator of the heritage.

If the heritage has been distributed, the creditor may request any of the heirs to settle the debts. In the event that any heir settles debts to the creditor in excess of the part of the heritage such heir has received, other heirs shall reimburse such payment to such heir in their respective proportion.

If any heir is unable to settle debts according to his portion, other heirs shall settle the debts to the creditor on his behalf in their respective proportions.

The settlement of the debts of the owner of the heritage shall be borne only from the assets that are the heritage.

Article 50. Unsettled Debts of the Heirs

The administrator of the heritage may hand over the whole or any part of the heritage to any heir who should receive it and who has to settle debts belonging to his portion.

Article 51. Period for Making Claims for the Settlement of Debts

The creditor has the right to claim for settlement of debt from heirs who have received the heritage, or from the administrator or the executor of the will or to submit a request for debt settlement to the office of the notary public or the head of the village where the opening of inheritance took place, or to the court within six months after the opening of inheritance. If the creditor has not made any claim or submitted a request for settlement of debt within six months, the creditor will have no further rights, unless there are sufficient reasons.

Article 52. No Agreement on Distribution of Heritage

If no agreement can be reached on the distribution of heritage among heirs, the court will have to decide.