



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

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**National Assembly**

**No: 04/NA**

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**CUSTOMS LAW**  
**(Revised version)**

**PART I**  
**GENERAL PROVISIONS**

**Article 1. (Revised) Objectives**

This Law provides principles, policies, rules and measures on export-import, transit and movement of goods within the Lao People's Democratic Republic with a view to encouraging investments, protecting legitimate benefits in the fields of social, economic and national security, international integration, ensuring [more effective] revenue collection for the state budget and contributing to national social and economic development.

**Article 2. (Revised) Customs Duty**

Customs duty means the monetary obligations that are paid to the State by individuals, legal entities and organizations undertaking export and import, transit and movement of goods through customs border checkpoints as specified in the customs tariff nomenclature.

**Article 3. (Revised) Explanation of Terms**

Terms used in this Law shall have the following meanings:

1. **Customs Administration** means the Department of Customs, Regional Customs [Offices], Customs Border Checkpoints and other Customs organizations, which are organizations under the Ministry of Finance that are responsible for implementing the Customs Law and other laws and regulations in a centrally uniform manner throughout the country.
2. **Customs Authority** means a customs officer duly appointed to implement duties in the Customs Administration at each level or any specific tasks.
3. **Customs Duty Declarant** means an individual, legal entity, organization, customs clearance broker or authorized person who is authorized to prepare and submit customs declarations and sign the detailed customs declaration forms.

4. **Other obligations** mean various taxes and fees as specified in regulations, and the Budget Law for which the customs authorities are authorized to collect such taxes and fees.
5. **Regular detailed customs declaration** means filling in detailed information on exported and imported goods on the forms provided by the Customs Administration.
6. **Electronic detailed customs declaration** means the application of information, data and technology for declaring information on goods through the customs automated electronic system of the Customs Administration.
7. **Electronic signature** means a signature of the customs declarant to certify the accuracy of information declared by means of an electronic system and recognized by the Customs Administration.
8. **Specific route** is any route for shipping goods determined by Customs Authorities to control exportation, importation, transit and movement of goods.
9. **Seizure of goods** means withholding the goods temporarily while waiting for the results of legal proceedings.
10. **Retention of goods** means retaining goods temporarily at the premises of the accused suspect, and which such goods shall not be purchased, sold, transferred or pawned while waiting for a [determination] of proof or the results of legal proceedings.
11. **Confiscation of goods** means the Customs Administration's taking of goods that are evidence of customs breaches to be State assets in accordance with court decisions.
12. **Investigation Body of the Customs Authority** means the Customs Administration at all levels that are assigned duties to investigate proceedings and settlement of customs cases.
13. **Customs border checkpoint** means international customs checkpoints, local customs checkpoints and traditional customs checkpoints that authorize the entry and exit of passengers, vehicles and goods.
14. **Suspension of Custom Duty** means to suspend for a designated period of time the customs duty during the exportation-importation of goods, but should not be beyond the time identified in the laws and regulations.
15. **Extra cost** means the expenses for customs cases proceedings, warehouse, uploading, maintenance, transportation and other relevant costs.

#### **Article 4. (Revised) State Policy on Customs**

The Government has a policy to promote individuals, legal entities and organizations engaged in the export and import of goods to be aware of [the need] to pay obligations to the State with an aim for national social and economic development, particularly to expand strongly and continuously health care and education activities and to strengthen the implementation of the duties of Customs Administration by means of laying out policies, regulations, allocation and development of human resources, and providing the budget to develop necessary infrastructure, vehicles and equipment for the implementation of customs activities.

## **Article 5. (New) Customs Principles**

Customs operations shall comply with the following principles:

1. Ensure uniform and centralized management throughout the country;
2. Ensure the promotion and growth of production, business operations and investments;
3. Ensure justice, modernity, transparency, and prompt service and accountability;
4. Facilitate trade and promote investment;
5. Collaborate harmoniously between vertical and horizontal lines of management;
6. Implement various obligations of regional and international agreements, treaties and conventions of which Lao PDR is a party to;

## **Article 6. (Revised) Goods Subject to Customs Duty and Other Obligations**

All categories of goods exported from and imported to Lao PDR are subject to customs duty and other obligations according to the rates defined in the customs tariff nomenclature, except for cases where customs duty and other obligations are exempted or suspended.

Individuals, legal entities and organizations that export and import goods shall pay customs duties and other obligations as set out in the laws and regulations.

## **Article 7. (Revised) Customs Territory**

The customs territory covers all territory of Lao PDR where the scope of functions of customs authorities is determined. Customs authorities are allowed to exercise their functions outside the customs territory in accordance with agreements or protocols in which the government of Lao PDR has signed.

Within the customs territory, individuals, legal entities and organizations regardless of nationality who export, import, transit and transport goods through customs checkpoints shall comply with this Law and other relevant laws and regulations.

## **Article 8. (New) Customs Control**

Customs control is an application of procedures, methods, regulations and measures by customs administration according to this Law and other relevant laws to control the exportation, importation, transit and movement of goods.

## **Article 9. (Revised) International Cooperation**

The government opens and promotes relations and cooperation with foreign countries, regions and the world on customs matters by the exchange of lessons [learned], information,

techniques, technologies, training and upgrading of staff capacity and other [activities], and to implement international agreements, treaties or conventions of which Lao PDR is a Party to.

## **PART II CUSTOMS DECLARATION REGULATIONS AND PROCEDURES**

### **Chapter I Classification of Goods and Country of Origin**

#### **Article 10. (Revised) Classification of Goods**

All categories of goods that are exported and imported shall be declared according to the code of each category of goods as specified in the Harmonized System Customs Tariff Nomenclature.

The customs tariff nomenclature of Lao PDR is developed according to the international Harmonized System Customs Tariff Nomenclature which may be amended periodically.

#### **Article 11. (Revised) Country of Origin**

The country of origin is a country where a product is extracted, produced or [changed] through production or processing processes, based on specified regulations in compliance with regulations on the application of the Customs Tariff Nomenclature and [regulations] on the determination of the content of the components or other regulations on trade.

Country of origin is used to determine the country where goods are produced and [are eligible to] receive privileges for tariff reductions with respective countries which the government of Lao PDR has signed preferential trade agreements.

### **Chapter 2 Customs Valuation**

#### **Article 12. (Revised) The Customs Value of Exported Goods**

The customs value of exported goods is the actual value of goods, including transportation costs delivered to the customs border checkpoint of export.

#### **Article 13. (Revised) Customs Value for Import**

Customs value for import shall be the actual value of goods including transportation and/or insurance costs at the customs border checkpoint of import in accordance with 1994 WTO's General Agreement on Customs and Trade, pertaining to Customs Valuation.

The Ministry of Finance shall issue detailed regulation on the principle of import customs valuation.

### **Chapter 3**

#### **Customs Clearance Brokers and their Responsibilities**

##### **Article 14. Customs Clearance Brokers**

Customs clearance brokers have the duty to declare customs duties on behalf of owners of goods or transporters. The Ministry of Finance shall issue regulations with respect to standards, requirements and the scope of operations of customs clearance brokers.

##### **Article 15. (New) Responsibilities of Customs Clearance Brokers**

Customs clearance brokers have the following obligations:

1. Transacting business with the Customs Administration for goods declaration procedures; completing customs documentation, customs clearance, payment of duty and other obligations; and removal of goods from a warehouse or checkpoint on behalf of the goods owner;
2. Contacting the Customs Administration to register their electronic declaration system;
3. Declaring goods correctly to the Customs Administration and submitting supporting documents in accordance with customs protocols and procedures;
4. Signing detailed customs declarations in electronic format and/or other formats on behalf of the goods owner when authorized;
5. Paying customs duty and other obligations on behalf of the goods owner;
6. Participating in the inspection of goods with Customs Authorities, for instance, opening [containers] and boxes of goods, counting the quantity of goods, weighing and measuring goods;
7. Representing owners of goods, transporters or other clients in dealing with the Customs Authority for any breach of the Customs Law and regulations and other relevant laws and regulations;
8. Being responsible for the costs of transportation, unloading, warehousing and other expenses occurring [during] the inspection of goods.

### **Chapter 4**

#### **Customs Risk Management**

##### **Article 16. (New) Customs Risk Management**

Customs risk management is the application of a Custom Administration mechanism to analyze and select information for customs control that aims to ensure the facilitation of imports, exports, transit, movement and inspection of goods by applying risk management principles.

## **Article 17. (New) Customs Risk Management Principles**

Customs risk management principles are as follows:

1. Apply risk management measures effectively throughout the customs territory and in all customs activities;
2. Collect information within the Customs Administration and from other relevant sectors to be used for analysis and selection of the management of risk effectively;
3. Issue regulations on risk management and develop standards of risk management in parallel with implementing customs control and management effectively;

## **Chapter 5 Customs Formalities and Clearance**

### **Article 18. (New) Customs Formalities**

Customs formalities are the formulated provisions to control the export, import, transit and movement of goods within a customs territory.

### **Article 19. (Revised) Declaration of Manifest and Conveyance Papers**

When the goods arrive at the Customs border checkpoint, the declarant or the transport service provider shall implement the following procedures:

1. Submission of manifest or declaration according to prescribed forms by Customs within twenty-four hours;
2. Submission of conveyance papers to the Customs Authorities for control and management as described in the Customs Law and regulations.
3. Prohibition to unload goods from conveyance prior to submission of the manifest, except when they are authorized by Customs Authorities or in the case of force majeure.

### **Article 20. (Revised) Reporting of Personal Belongings of Passengers**

Personal belongings of passengers travelling through customs checkpoints by car, train, boat and airplane shall be under customs control. Passengers who possess goods in excess of the amount permitted by regulations shall correctly and fully declare these to Customs in a prescribed form.

Passengers shall comply with the regulations and other requirements regarding the export and import of foreign currencies, Lao Kip, precious objects, and archeological and cultural objects.

### **Article 21. (Revised) Declaring Mailed Goods by Post**

Parcel post and mail imported, exported or in transit shall be subject to customs control. This [control] shall be end only if customs formalities are carried out in accordance with customs regulations.

A legal entity running a business as a freight forwarder and dispatching parcels and mail shall be responsible for customs clearance on behalf of the goods owner as prescribed in Customs Law and regulations.

#### **Article 22. (Revised) Detailed Customs Declaration**

The declarant shall submit a regular detailed customs declaration and/or an electronic detailed customs declaration with regard to imported-exported or transit goods, as follows:

1. Fill out the information required in the detailed customs declaration form and sign it;
2. The detailed customs declaration verified by the Customs Authorities shall be registered;
3. Signature in the detailed customs declaration and/or electronic detailed customs declaration has equal value;
4. The detailed customs declaration that has been approved and registered shall not be subject to change except [when] the declarant has the information and evidence to validate [the need] for the Customs Administration to consider to modify the information before actual goods inspection by Customs Authorities;
5. [If] The detailed customs declaration has been erased, struckout, or stained, it is considered invalid.

#### **Article 23. Customs Declaration Documentation**

The documents required for detailed customs declaration are as follows:

1. Detailed customs declaration;
2. Invoice;
3. Manifest;
4. Packaging list (if any);
5. Certificates of origin (if any); and
6. Export or import permit (if any).

#### **Article 24. (Revised) Time and Detailed Customs Declaration Measures**

The declarant shall submit a completed declaration to Customs within fifteen (15) working days from the date of the Customs Authorities record [for the] goods according to the manifest.

If the declarant does not know detailed information regarding the goods, he/she is allowed to examine actual goods in the warehouse based on the prescribed time identified in the above first paragraph to prepare customs declaration documents.

In case the detailed customs declaration is submitted to the Customs Administration later than the prescribed time, the goods shall be under special customs control and shall be subject to the following procedure:

1. Shall declare the detailed customs duty on goods within forty five (45) working days and shall be fined at a rate of zero point one percent (0.1%) of the value of goods;
2. If he/she fails to submit a detailed declaration within 45 working days, the Customs Administration shall announce or issue a notice to the declarant to make a detailed declaration within twenty-one (21) working days; if the declarant submits a declaration within such time period, he/she is subject to a fine of zero point five percent (0.5%) of the value of goods;
3. If the extra 21 working days is over, the goods shall be subject to confiscation.

Customs declaration measures of goods to be used for Government's projects are identified in separate regulations.

#### **Article 25. (Revised) Payment of Customs Duties and Other Obligations**

After the Customs Authorities accept a detailed custom declaration form, the declarant shall pay the duties and other obligations in full amount in Lao Kip according to relevant regulations.

### **Chapter 6 Inspection and Release of Goods from the Customs Checkpoint or Customs Warehouse**

#### **Article 26. (Revised) Inspection and Release of Goods from the Customs Checkpoint or Warehouse**

After the detailed customs declaration form is approved and registered, the Customs Authorities shall inspect goods as a whole or by sampling depending on what is appropriate. Inspection of goods shall be carried out in the presence of the declarant at the customs checkpoint and shall be done at the warehouse or its surrounding or another location specified by the Customs Administration.

In case there are disputes arising from the inspection of some part of goods, the declarant may request the Customs Authorities to re-inspect all goods.

After completing the inspection of goods, the Customs Authorities shall record the results, including the type of goods, quantity, weights, price, manufacturing country, transportation vehicle, date and place of inspection and put a signature, name and family name on the detailed customs declaration form and/or releasing note of goods.



In case the results of the inspection of goods are different from information declared on the detailed and/or electronic customs declaration form, the Customs Authorities shall make a case report to initiate a customs case proceeding.

**Article 27. (Revised) Security for Releasing Goods from the Customs Checkpoint or Warehouse**

Security for releasing goods from the customs checkpoint or warehouse before the detailed customs declaration shall proceed according to the following:

1. The declarant shall make a request for the deposit of security with the Customs Administration;
2. The security shall be equal to customs duties and other obligations with an additional twenty percent (20%) in cash or guarantee letter from a financial institution or bank or individual, legal entity or organization that has a reliable financial status;
3. After releasing goods from the warehouse, within fifteen (15) working days, a detailed customs declaration shall be made. Money or the guarantee letter shall be returned;
4. If the declaration is made later than the specified time, the declarant shall be fined zero point ten percent (0.10%) of the value of goods;
5. If the declarant fails to comply with the security contract, the violator shall be prosecuted based on the laws and regulations.

**Chapter 7**  
**Advance Rulings and Pre-Shipment Clearance**

**Article 28. (New) Advance Rulings**

In case the declarant is not sure about identifying the customs classification code and country of origin of goods needed to prepare for a detailed customs declaration, the declarant is allowed to request for advice and to apply for an advance ruling from the Customs Administration by following the procedures below:

1. The documents and/or samples of goods shall be submitted in writing to the Customs Administration;
2. The Customs Administration shall consider [the request] in order to issue an official certified document [certificate of approval] within fifteen (15) working days from the date [the customs authority] receives full documentation;
3. In case the Customs Administration needs additional information, the declarant shall provide relevant information within fifteen (15) working days from the date of receipt of a notice from the Customs Administration. If it is beyond the deadline, the Customs Administration may not consider the application.
4. The certificate of approval from the Customs Administration is valid for not more than one (1) year as long as the specifications regarding the imported goods do not change. If there is strong evidence or information that the goods have changed, the certificate of approval shall be cancelled.

5. When [there is] information or evidence that a good [has] changed, the declarant must request to the Customs Administration to consider and issue a new certificate of approval.

**Article 29. (New) Pre-Arrival Customs Declaration**

To facilitate the import and export of goods, the declarant may declare details of goods before the arrival of goods at customs checkpoints and shall apply the following procedures:

1. The declarant is eligible to make pre-arrival clearance within seven (7) working days prior to the arrival of goods at the customs checkpoints and shall prepare sufficient documentation as defined in Article 23 of this Law;
2. The payment of customs duties and other obligations shall take place at the time the goods arrive at the customs checkpoint as defined in Article 25 of this Law.

**PART III  
CONTROLLED AND RESTRICTED GOODS**

**Article 30. (Revised) Controlled Goods**

Controlled goods are goods under the control of the Customs Administration that are defined in the relevant laws and regulations [of the Lao PDR] for reasons of national security, sanitation, phyto-sanitation, environmental protection and others.

Exportation, importation, transit and movement of controlled goods shall be authorized by the Government or concerned State authorities as prescribed by laws and regulations.

**Article 31. (Revised) Prohibited Goods**

Prohibited goods are goods that are defined in relevant laws and regulations, especially weapons, narcotics, psychotropic substances and hazardous chemical substances. It is prohibited to export, import, transit, move, purchase, sell and be in possession of prohibited goods.

**PART IV  
INTELLECTUAL PROPERTY RIGHTS PROTECTION MEASURES**

**Article 32. (New) Protection Measures**

If the owner of intellectual property rights has reliable information that imported, exported or transited goods infringe his/her trademarks or copyrights, the owner of the intellectual property right is entitled to prepare a request and submit [it] to the Customs Administration to inspect and seize such goods temporarily.

**Article 33. (New) Implementation of Protection Measures**

The Customs Administration shall issue detailed regulations to implement the protection measures as defined in Article 32 of this Law, in which it must be consistent with the Intellectual Property Law and agreements and conventions that Lao PDR is party to.

**PART V  
MOVEMENT OF GOODS**

**Article 34: (Revised) Movement of Goods within the Customs Territory**

Goods that are subject to documentation for movement are goods for which customs duties and other obligations have not been paid, duty free goods, goods imported under investment promotion policy and goods that are moved within the warehouse regime.

The declarant wishing to transport goods within the customs territory shall follow special routes specified by the Customs Administration; when goods arrive at the destination, they shall be declared to Customs Authorities to proceed with entry formalities.

**Article 35. (New) Movement of Goods outside the Customs Territory**

In case goods cannot be moved within the customs territory, the Customs Administration may allow the movement of goods by using the territory of another country in accordance with the agreement of the transit country; such goods are exempted from export duties as well as export-import procedures.

The transportation of such goods shall be accompanied by the movement customs declaration form.

**Article 36. (Revised) Transportation of Goods across International Borders**

The transporter or declarant who transports goods across an international border and through the territory of the Lao PDR shall be approved by the relevant government authorities and the Customs Administration as follows:

1. The transporter shall provide a security in the form of check or a letter of guaranty issued by a bank or financial institution in the amount equal to the customs duties and other obligations;
2. The transporter of goods shall submit the relevant manifest to the Customs Administration;
3. The transportation vehicle shall follow a specified route and time frame determined by the Customs Administration;
4. Goods under international transit shall be under the control of the Customs Authorities and they are prohibited to be distributed;

5. In case of accidents or *force majeure*, the closest Customs Authority shall be informed; any unloading of goods shall be approved by the Customs Authority;

In case goods are damaged by accident and cannot be recovered or [goods that] affect the environment, the transporter shall be responsible for it according to the laws and regulations of Lao PDR;

6. Once goods are transported from Lao PDR territory across the international border, security ends and the Customs Authorities shall issue a certificate. Money or the Letter of Guaranty shall be returned to the issuer.

## **PART VI WAREHOUSES AND WAREHOUSE REGIME**

### **Article 37. (Revised) Warehouses**

The warehouse is a place to temporarily store goods and is located within the customs territory and under the control of Customs Authorities while waiting for customs clearance.

### **Article 38. (Revised) Warehouse Regime**

A warehouse regime is the warehouses storing goods that are intended to be exported and imported within a certain period of time with customs duty suspension and under the control of the Customs Administration while waiting for customs clearance.

There are 4 types of warehouses that are grouped into the warehouse regime:

1. **Bonded warehouse** is a place used to store general goods with normal characteristics, excluding goods that are classified for warehouse types 2, 3 and 4 of this Article;
2. **Temporary warehouse** is a place used to store goods destined for duty free shops with a guarantee contract that the goods shall be sold to travelers who are going to other countries and shall be sold in accordance with specific regulations.
3. **Industrial warehouse** is a place used to store goods intended for temporary export and import for assembly, modification, processing or repair and then re-export;
4. **Special warehouse** is a place used to store certain types of goods, such as:
  - Live animals;
  - Controlled goods or goods that are under special control;
  - Goods that have high risks and are dangerous and that are not appropriate to store in other types of warehouse.

The Ministry of Finance shall be in charge of the approval of the establishment and development of regulations related to the location for the establishment, application, control and time [period] for the storage of goods in each type of warehouse.

**Article 39. (New) Goods that Deteriorate Quickly**

With regard to goods that deteriorate quickly [and where there is] no contact with the owners, the Customs Administration may sell them through auction and the money received will offset the necessary expenses occurred in the auction, with the remaining money retained subject to further legal proceedings.

**Article 40. (Revised) Warehouse Management Procedures**

Customs Authorities may inspect accounts and goods in different types of warehouses at any time according to regulations, if necessary.

In case the number of goods in a warehouse is not consistent with the accounts reported earlier, the management of the warehouse shall be responsible according to the laws and regulations.

When moving goods within the warehouse regime, a moving permit shall be obtained from Customs Authorities.

**PART VII  
TEMPORARY EXPORT AND IMPORT OF GOODS**

**Article 41. (Revised) Temporary Export of Goods**

Temporary exportation of goods out of the country and when bringing goods into the country again, if there are some modification, change or adding some equipment [to the goods], [the goods] shall be subject to customs duties and other obligations based on the laws and regulations, with the cost of the modification, change or adding of some equipment used as the basis for customs calculation.

Exportation of goods for the purpose of exhibition, experiment, research, analysis and etc. in foreign countries are subject to declaration of the detailed customs duty, to insurance for the exported [goods] and to follow relevant regulations.

For controlled goods, it must be approved by relevant sectors.

Temporary exported goods shall be suspended from customs duties and other obligations.

**Article 42. (New) Temporary Importation**

Temporary importation of goods include:

1. Goods imported for manufacturing, processing, assembling, modifying or repairing;
2. Vehicles to be used for project survey and design;
3. Vehicles to be used for tourist visits;

4. Equipment to be used for project survey and design;
5. Goods for exhibition;
6. Goods for study and experiment.

Goods that are classified under clauses 1 to 6 above are suspended from the application of customs duties and other obligations and when it is re-exported, it is subject to customs duties exemption as specified in the regulations.

**Article 43. (Revised) Importation of Materials for Manufacturing, Processing, Assembling, Modifying or Repairing**

Temporary importation of materials including container and packaging materials for manufacturing, processing into finished products or semi-finished products, assembling, modifying, repairing, and [the good is] re-exported with authorization by the regulations of relevant sectors, [the goods] are subject to customs suspension and shall be applied as follows:

1. Submit an import plan and/or production formula to the Customs Administration;
2. Shall comply according to a specified time under temporary import regulations, and if failing to do so, the Customs Administration shall be informed;
3. The waste for production, processing, assembling and modifying finished or semi-finished products where the quality is not consistent with the requirements for re-exporting, [the waste] is subject to customs duties and other obligations according to regulations. If the waste cannot be further used or it has adverse impact on health or the environment, they shall be disposed of according to the regulations and then reported to the Customs Authorities.

**Article 44. (Revised) Import of Vehicles for Project Survey and Design**

Both domestic and foreign legal entities and organizations wishing to temporarily import vehicles for project survey and design purposes according to the agreements made with the Government of Lao PDR shall follow the requirements below:

1. Temporary import of vehicles shall be based on a master plan, with volume of work of the project and agreements made with concerned sectors;
2. Importers of such vehicles shall present a valid registration from a foreign country;
3. A security contract with the Customs Administration shall be established and the timeframe for the security contract shall be a maximum of two (2) years or should not be beyond the project completion date. If an extension of the contract is needed, documents and vehicles shall be presented to the Customs Administration for consideration thirty (30) days before the contract is terminated.
4. In case such vehicles cannot be re-exported, documents and vehicles shall be presented to the Customs Administration for consideration thirty (30) days before the contract expires.

#### **Article 45. (Revised) Import of Vehicles for Tourism and Visits**

Any person wishing to import vehicles into Lao PDR for the purposes of tourism, visiting, or use for business purposes shall follow the regulations of the relevant sectors and the following requirements:

1. He/she shall present details of each vehicle to Customs Authorities to process customs formalities;
2. [Vehicles admitted] shall be vehicles that are already registered in other countries;
3. Such vehicles shall be re-exported according to a specified time frame and at border customs checkpoint identified by Customs Authorities; if they are over the deadline, they shall be fined based on the regulations;
4. In case an extension for the permit is needed, documents and vehicles shall be presented to the Customs Administration for consideration two (2) days before the deadline of such permit.

#### **Article 46. (Revised) Import of Materials for Project Survey and Design**

Both domestic and foreign legal entities and organizations wishing to temporarily import materials and equipment, such as machinery and tools for surveying, designing and operating a project according to an agreement made with the Government of Lao PDR, shall follow the requirements below:

1. The [temporary] import of materials and equipment shall be based on a master plan, with the volume of work of the project [based on] contracts made with concerned sectors;
2. The imports of such materials and equipment shall have a usage life over the entire period of the project and can be re-exported in the same quantity.
3. Such imports shall be suspended from customs duties and other obligations and [shall be] under the temporary import regulation.
4. A security contract shall be prepared for the importation of such materials and equipment with the Customs Administration with the time period of not more than one (1) year. If an extension of the contract is needed, documents shall be presented to the Customs Administration for consideration thirty (30) days before the contract is terminated.
5. In case such materials and equipment cannot be re-exported, documents shall be presented to the Customs Administration for consideration thirty (30) days before the contract terminates.

#### **Article 47. (Revised) Import of Goods for Exhibition**

The temporary import of goods for exhibition shall follow the following procedures:

1. [Applicants ] shall obtain documents or security certified by relevant sectors;
2. Make a security contract with the customs administration;

3. When the exhibition ends, the exhibition [goods] shall be re-exported in the same quantity and condition.

**Article 48. (New) Temporary Import of Materials for Education and Experiment**

The temporary import of materials for education and experiment that are not of a commercial nature shall have certified documents from the relevant government offices and be re-exported in the same quantity.

**Article 49. (New) Temporary Import Control Measures**

Anyone who makes a security contract with the Customs Administration shall strictly comply with the specified time and requirements.

Temporarily imported goods are prohibited from ownership transfer, pawning, exchange, [being] bought or sold or misused. If [these conditions are] violated, measures shall be taken according to law and regulations.

In case it is necessary to use imported goods domestically, they shall be authorized by the Customs Administration.

**PART VIII  
EXEMPTION AND SUSPENSION OF CUSTOMS DUTIES AND OTHER  
OBLIGATIONS**

**Chapter 1  
Exemption and Suspension of Customs Duties and Other Obligations for  
Diplomatic Missions and International Organizations**

**Article 50. (Revised) Exemption of Customs Duties and Other Obligations for Diplomatic Missions**

The import of goods and vehicles for diplomatic missions in compliance with the Vienna Convention on Diplomatic Relations of 18 April 1961, and approved by the Ministry of Foreign Affairs of Lao PDR, are exempted and suspended from customs duties and other obligations.

**Article 51. (New) Suspension of Customs Duties and Other Obligations for International Organizations**

The import of goods and vehicles by international organizations or international non-governmental organizations or project-based international expert(s) that have been certified or approved by Ministry of Foreign Affairs of Lao PDR are exempted and suspended from customs duties and other obligations.



## **Article 52. (New) Completion of Exemption and Suspension of Customs Duties and Other Obligations**

For goods and vehicles imported for the use of diplomats, international organizations and international non-governmental organizations and project-based international experts for which customs duties and other obligations have been exempted and suspended, after completion of the mission in Lao PDR, these goods and vehicles are to be re-exported; however, if these goods and vehicles are to be used domestically, they shall be subject to customs duties and other obligations pursuant to regulations.

## **Chapter 2 General Exemption of Customs Duties and Other Obligations**

### **Article 53. (Revised) General Exemption from Customs Duties and Other Obligations**

Imported goods that are exempted from customs duties and other obligations are:

1. Personal belongings of passengers;
2. Certain kinds of items when changing a residency (moving house);
3. Gifts of a delegation from overseas official visits;
4. Goods obtained from grant assistance sources and government borrowing;
5. Essential items used for education, health, scientific study, samples and religious items;
6. Special items used for national defense and public security.

The government shall specify a detailed list of goods that are exempted from customs duties; if necessary, the government is entitled to propose to the Standing Committee of the National Assembly to consider and identify a list of goods for further exemption of customs duties.

### **Article 54. (Revised) Exemption of Customs Duties for Personal Belongings**

Passengers traveling to the Lao PDR with belongings will receive incentive exemptions for customs duties and other obligations as follows:

1. Precious objects and foreign currencies with a value not more than as specified by the Bank of Lao PDR;
2. All types of alcohol not exceeding 2 liters, all types of beer not exceeding 5 liters, all types of wine not exceeding 3 liters;
3. All types of cigarettes not exceeding 1 carton (200 cigarettes), cigars not exceeding 50 cigars or tobacco leaves not exceeding 250 grams;
4. Perfume and fragrant oils not exceeding one item each.

### **Article 55. (Revised) Exemption of Customs Duties for Certain Types of Items While Moving a Residency**

Students, civil servants and diplomats completing their mission abroad and foreigners intending to have permanent residency who import items and presents of [Lao] delegations returning from an overseas trip in addition to motorized vehicles are exempted from customs duties and other obligations as follows:

1. Certain items and in certain quantities that are not of a commercial nature;
2. Necessary items for households;
3. Goods received from inheritance.

### **Article 56. (Revised) Exemption of Customs Duties for Goods Obtained from Grant Aid or Loans by the Government**

The import of goods received as grants or loans by the government from foreign countries and humanitarian assistance and disaster relief items shall be exempted from customs duties and other obligations based on the decision of the Government.

### **Article 57. (Revised) Exemption of Customs Duties for Essential Items Used for Education, Health, Scientific Study, Samples and Religious Items**

The importation of some essential, non-commercial goods will be exempted from customs duties and other obligations as follows:

1. Essential items used for education, health, scientific study and samples items shall be certified by relevant sectors;
2. Religious items, such as Buddha Images, worship items, essential materials-equipments and items for religious ceremony shall require a Certified Letter from the Lao Front for National Construction in collaboration with the Information, Culture and Tourism Sector.

### **Article 58. (Revised) Exemption of Customs Duties for Professional Items Used for National Defense and Public Security**

The importation of goods, weapons and professional vehicles to be used in national defense and public security are exempted from customs duties and other obligations.

### **Article 59. (New) General Export Customs Duty Exemption**

Exportation of agricultural products derived from production, plantation and breeding, and industrial products that have been manufactured or processed, and handicraft products, are exempted from export customs duties, except for some items of goods that require an export duty.

**PART IX**  
**SUSPENSION, EXEMPTION OR REDUCTION OF CUSTOMS DUTIES**  
**AND OTHER OBLIGATIONS FOR INVESTMENT**

**Article 60. (New) Exportation-Importation under Investment Promotion Policy**

In order to promote investment and support production according to Government policy, the exportation-importation of goods are subject to exemption or reduction of customs duties and other obligations based on the Law on Investment Promotion.

**Article 61. (Revised) Exportation-Importation under the Policy of Special Economic Zones and Specific Economic Zones**

The export and import of goods into and out of special economic zones and specific economic zones are exempted, suspended or reduced from customs duties and other obligations according to relevant and specific regulations.

**Article 62. (Revised) Duty Free Shops**

The Ministry of Finance shall authorize the establishment of duty free shops to distribute goods to outbound travelers. Those goods are suspended from customs duties and other obligations according to regulations.

**Article 63. (New) Management of the Utilization of Materials, Equipment or Vehicles**

Goods imported or exported under exemption, suspension or reduction regulations for customs duties and other obligations shall be under the control of the Customs Administration.

Goods from a special economic zone and specific economic zone intended for distribution or consumption in the territory of Lao PDR shall pay customs duties and other obligations according to regulations.

Vehicles or materials/equipment authorized for import under the investment promotion policy shall be used according to their objectives and are prohibited to be distributed and sold in general. If a violation occurs, customs measures shall be taken according to the laws and regulations.

## **PART X MANAGEMENT OF DOCUMENTS AND APPEALS**

### **Chapter 1 Management of Document, Post Clearance Audit by Customs Administration**

#### **Article 64. (Revised) Document Management Procedures**

Business operators carrying out an import-export or transit business shall maintain customs documents as follows:

1. Accounting data, detailed customs declaration as well as other supporting documents and information shall be kept for a period of three years;
2. When Customs Authorities audit business operators or their representatives, [they] shall provide accounting data and records, document files and other information on export, import and transit [to the Customs Authorities].

#### **Article 65. (Revised) Duration of Time for Post Clearance Audit by the Customs Administration**

Detailed customs declaration forms shall be subject to post clearance audit by the Customs Administration within a period of three (3) years from the date the detailed customs declaration document has been registered or the date on that goods were released from a customs warehouse or customs checkpoint.

#### **Article 66. (New) Principles for Conducting Post Clearance Audit**

Principles for conducting post clearance audit on the export, import and transit of goods by the Customs Authorities shall be implemented as follows:

1. Re-inspect all information related to customs clearance including goods in the stock of business operators;
2. Inspect reference documents on the export and import of goods such as the customs declaration value, country of origin, coding, payment information, financial and accounting records and books and other information of business operators;
3. Keep or retain on a temporary basis all or part of evidence from business operators while the inspection or investigation is being carried out;
4. Shall report audit results to business operators;

Relevant sectors shall cooperate to provide information on business operators on the request of the Customs Authorities.

## **Article 67. (New) Audit Procedures**

Audit procedures of Customs Authorities shall be implemented according to the following steps:

1. Collect and analyze information on the detailed customs declaration forms;
2. Send a written notice to a business operator in advance to prepare information and evidence for audit;
3. Visit business premises to conduct the audit activities according to regulations;
4. Conclude the audit results and implement remedies;
5. Inform the results of the post clearance audit to the business operators.

The Ministry of Finance shall issue detailed regulations related to post clearance audit.

## **Chapter 2 Appeal and Settlement**

### **Article 68. (New) Appeal**

Declarants have the right to appeal when finding out that they are not treated fairly based on the agreements or decisions made by the Customs Administration on custom declaration valuation, the classification of goods and the country of origin of goods.

The appeal of the declarant shall be implemented as follows:

1. A declarant shall submit an appeal with supporting documents and evidence to the Appeal Settlement Committee as identified in Article 69 of this Law;
2. The time frame for submitting an appeal is thirty (30) days from the date the contested agreement or decision was made.

### **Article 69. (New) Appeal Settlement Committee**

An Appeal Settlement Committee shall be appointed by Minister of Finance, consisting of two levels, as follows:

1. The Regional Appeal Settlement Committee, with membership consisting of the Director of Regional Customs as the chairman, representatives from Provincial/Vientiane Capital Finance Department, relevant sectors and customs experts from where the Regional Customs is located;
2. The Central Appeal Settlement Committee, with membership consisting of the Director General of the Customs Department as the chairman, representatives from other Departments under the Ministry of Finance, other concerned ministries and customs experts.

## **Article 70. (New) Procedures for Settling Appeals**

Procedures for settling appeals shall be implemented as follows:

1. After receiving an appeal, within thirty (30) working days, the Regional Appeal Settlement Committee shall finalize the settlement of the appeal and notify the decisions to the applicant;
2. If the applicant disagrees with the decision made by the Regional Appeal Settlement Committee, the applicant may submit his/her appeal to the Central Appeal Settlement Committee within fifteen (15) days from the date of receiving such decision;
3. In case there is an objection to the decision of the Central Appeal Settlement Committee, the applicant has the right to further submit the appeal to the People's Court within thirty (30) days from the date of receiving such decision. The People's Court decision is effectively enforceable.

## **PART XI USE OF BOATS FOR TRANSPORTING PASSENGERS OR GOODS ALONG BORDER RIVERS**

### **Article 71. Registration of Boats along Border Rivers**

Any boat whose owner resides in Lao PDR that transports passengers or goods along border rivers shall be formally registered at the customs checkpoint where the boat owner resides.

### **Article 72. (Revised) Transportation of Goods along Border Rivers**

Before loading or unloading goods from a boat, the transporting boat for goods along border rivers shall stop/park at the port where the customs checkpoint is located, except for the case of emergency. In such case, the owner of the boat shall present the boat registration paper and manifest of the goods to the Customs Authorities for examination. During navigation or after arriving at the port or if there is inspection of the boat on the navigating route, the owner of the boat shall present the boat registration paper and manifest of the goods to the Customs Authorities for examination regardless of whether such boat is transporting goods and passengers.

If there is a sale [and] purchase, transfer or change to the features of the boat or the boat has ceased to navigate, the owner of the boat must notify the Customs Authorities and the relevant organizations where the boat is registered within twenty days from the date of sale [and] purchase, transfer or change to the features of the boat or the boat has ceased to navigate.

Boat navigation on the Mekong shall be applied according to the Agreement of Greater Mekong Sub-region Countries.

## **PART XII**

# **ORGANIZATION AND ACTIVITIES OF CUSTOMS ADMINISTRATION**

### **Chapter 1**

## **Organization**

#### **Article 73. (Revised) Location and Role**

The Customs Administration is an organization under the Ministry of Finance that has the responsibility for managing customs operations based on a vertical line of command from central to local levels; acts as the advisory body to the Minister of Finance in managing customs operations at the macro level; and, carries out internal customs inspections and audits, investigations and implementation of the Customs Law and other concerned laws and regulations in order to implement its assigned duties effectively.

#### **Article 74. (Revised) Organizational Structure of the Customs Administration**

The organizational structure of the Customs Administration is as follows:

- Customs Department;
- Regional Customs;
- Customs border checkpoints consisting of international customs border checkpoints, local customs checkpoints and traditional customs checkpoints.

#### **Article 75. (Revised) Duties and Rights of the Customs Administration**

Customs Administration at each level has the following rights and duties:

##### **A. Customs Department**

1. Act as an advisory body to the Ministry of Finance regarding customs policy, laws and regulations, strategic plans, and customs development plans;
2. Revise laws and regulations, and issue detailed implementation instructions;
3. Implement and disseminate laws, orders, and various policies relating to customs;
4. Consider and propose the establishment of a warehouse regime to the Ministry of Finance for consideration;
5. Manage, supervise, monitor and control the organization, profession and activities of the Customs Administration at each level nationwide;
6. Collect and provide export and import data about customs activities;
7. Develop plans for capacity building, training, allocation, appointment, dismissal and reassignment of personnel; implement promotion policy regarding customs personnel based on the laws and regulations.
8. Coordinate and cooperate with sectors at the central level and local administrations with regard to customs activities;
9. Conduct post clearance audit, inspection and anti-smuggling activities, proceed and settle customs related cases;

10. Consider, study and address complaints of the declarant based on its scope of responsibility;
11. Investigate customs cases and file customs cases to People's Prosecutor to litigate cases in court;
12. Coordinate and cooperate with other countries and fulfill commitments under regional and international agreements, treaties and conventions for customs activities that Government of Lao PDR is a Party to;
13. Summarize and report the outcomes of customs activities to Ministry of Finance regularly;
14. Implement other rights and duties as defined in the laws and regulations.

**B. Regional Customs:**

1. Act as an advisory body to the Customs Department to strictly implement strategy, policy and customs management mechanism within its mandates according to the Customs Law and regulations and other relevant laws and regulations;
2. Disseminate policies, laws and regulations regarding customs activities to individuals, legal entities and organizations in the society so that they can be informed and be aware of the compliance of the laws and regulations;
3. Supervise, manage, inspect and control the implementation of customs activities, the professionalism and performance of Customs Authorities within the region and border customs checkpoints under their jurisdiction;
4. Develop a plan for revenue collection from customs duties and other obligations for the fiscal year within their jurisdiction to [report] to the Customs Department;
5. Consider and settle complaints of the declarant under their jurisdiction;
6. Conduct post clearance audits, inspections and anti-smuggling activities, and conduct customs cases proceedings;
7. Investigate customs cases and submit case files to the People's Prosecutor to take cases to court;
8. Coordinate with local administrations and other government offices with regard to customs activities within their region;
9. Develop plans for capacity building, training, allocation, appointment, dismissal, reassignment, and rotation of customs personnel under its jurisdiction to the Department of Customs to consider according to regulations;
10. Supervise and evaluate the customs declaration activities of individuals, legal entities and organizations in accordance with the Customs Law and regulations in order to reward traders with good records of customs compliance as appropriate;
11. Implement international coordination and liaison with regard to customs activities as assigned by the Customs Department;
12. Summarize and report the outcomes of customs activities to the Customs Department and the Vientiane Capital/Provincial Administrations regularly;
13. Implement other rights and duties as defined in the laws and regulations.



### **C. Border Customs Checkpoint:**

1. Implement plans, policies and the Customs Law and regulations within their jurisdiction strictly;
2. Collect customs duties and other obligations accurately, fully in accordance with the budget plan on a timely basis;
3. Manage and use equipment and tools in customs activities effectively;
4. Serve, manage, monitor, inspect and facilitate the export, import and transit of goods through checkpoints quickly and accurately as defined in the laws and regulations;
5. Inspect and suppress any violations of customs laws and regulations and other concerned regulations within their checkpoints and prosecute violators;
6. Coordinate with other government offices within the checkpoint while performing their duties;
7. Summarize and report customs activities to Regional Customs and Municipality/District Administration regularly;
8. Implement other rights and duties as assigned by Regional Customs.

### **Article 76. (Revised) Personnel Structure**

The personnel structure of the Customs Administration is as follows:

1. Director General, Deputy Director Generals
2. Director of Divisions, Deputy Directors of Divisions; Head and Deputy Head of Regional Customs;
3. Heads and Deputy Heads of Units within the Divisions; Head and Deputy Heads of Units of Regional Customs, Head and Deputy Heads of International Customs Checkpoints;
4. Head, Deputy Heads of Units of International Customs Checkpoints, Head and Deputy Heads of Local Customs Checkpoint and Traditional Customs Checkpoints;
5. Customs Staff and Authorities;
6. Some supporting staff.

The appointment or removal of personnel at each level must be in accordance with relevant law.

### **Article 77. (Revised) Requirements of the Customs Authority**

Customs Officers and Authorities have the following requirements:

1. Be a Lao citizen and must be over 18 years of age;
2. Have good attributes, ethics/morale and loyalty;
3. Have an educational certificate, and obtain knowledge, competency, financial and customs duties experience and relevant profession background, know some foreign languages;
4. No disciplinary measures or no intentional financial wrongdoing;
5. Be healthy.

### **Article 78. (Revised) Maintaining Confidentiality**

Customs Officers and Authorities shall strictly maintain confidentiality.

## **Chapter 2 Rights and Duties of Customs Authorities**

### **Article 79. (Revised) Rights of Customs Authorities**

Customs Authorities have the following rights:

1. To conduct investigations as defined in this Law and the Law on Criminal Procedure;
2. To stop and seize goods and retain evidence that are related to custom offenses as defined in the Customs Law and the Law on Criminal Procedure;
3. To inspect the premises and other locations, vehicles and individuals as defined in the Customs Law and the Law on Criminal Procedure and other relevant laws;
4. To enter business premises and warehouses to inspect goods and relevant documents on export and import transactions as defined in the Customs Law and regulations;
5. To use weapons, technical equipment and tools in performing their duties;
6. To collaborate in seeking cooperation and requests for assistance if needed from local administrations at all levels, national defense and public security forces, the general public and other relevant sectors;
7. To implement rights as defined in the laws and regulations and as per assignment.

### **Article 80. (Revised) Duties of the Customs Authorities**

Customs Authorities have the following duties:

1. To propagate, disseminate and give advice to the society, particularly individuals, legal entities and organizations that are running export-import of goods;
2. To strictly implement the Customs Law and regulations and other relevant laws;
3. Provide quick and fair services;
4. To accurately and fully collect customs duties and other obligations on a timely basis;
5. To implement measures to prevent and suppress activities relating to all kinds of smuggling and illegal trade according to the laws and regulations;
6. To maintain confidentiality of State and official secrets;
7. To summarize and report the outcomes of their performance to higher authorities regularly;
8. To perform other duties as defined in laws and regulations.

### **Article 81. Operations within the [Customs] Territory**

The customs operational territory is the control area of the Customs Authorities that extends thirty kilometers inland from the border into the customs territory. If the customs office is established outside the operational territory, the operations shall cover ten kilometers around the customs office.

In order to facilitate the prevention and suppression of smuggling, illegal trade and violation of customs law and regulations, the Ministry of Finance has the right to issue regulations extending the customs operational territory from thirty kilometers to fifty kilometers and from ten kilometers to twenty kilometers around customs offices at specified locations and for specified periods of time.

### **Article 82. Operations Outside the Operational Territory**

In the case of hot pursuit of goods that are smuggled [and] evading customs with firm evidence, Customs Authorities have the right to perform their duties throughout the customs territory as defined in Articles 7 and 81 of this Law.

### **Article 83. (Revised) Uniform, Symbol, Sign, Badge and Seal**

The Customs Authority has its own seal, symbol and customs officers have a uniform, official badge and signs, including insignia of rank, baldric, and other signs of authority.

Customs Administration has an official sign and seal.

The uniform, official badge, signs, marks and seals are specifically identified.

## **PART XIII PROHIBITIONS**

### **Article 84. (New) Prohibitions for Customs Authorities**

It is strongly prohibited for customs authorities to do the following behaviors:

1. Retard, falsify documents, or be irresponsible for the assigned tasks;
2. Abuse power, [use] violence, threaten or take bribes that cause substantial damage to the interests of the State, collectives or individuals and organizations;
3. Guard or collude with business operators to breach laws and regulations;
4. Falsify the customs declaration form, money receipt or other documents;
5. Use the money from customs duties and other obligations for personal enrichment;
6. Use, cause damage and losses, or take evidence from customs cases;
7. Other actions that violate the laws and regulations related to customs.

## **Article 85. Prohibition for Declarants**

It is strongly prohibited for declarants to do the following behavior:

1. Destroy data and evidence, falsify documents, mis-declare the information, [inappropriately] avoid paying customs duties;
2. Offer bribes and obstruct the performance of the customs authorities;
3. Humiliate, threaten and use violence against customs authorities;
4. Collude to conceal and support actions related to payment of obligations by the business operators;
5. Do other behavior that violates customs laws and regulations.

## **PART XIV OFFENSES AND CUSTOMS CASE PROCEEDINGS**

### **Chapter 1 Customs Offense**

#### **Article 86. (New) Customs Offences**

Customs offenses are violations of the Customs Law and regulations with respect to the export- import, transit and movement [of goods] and all kinds of smuggling activities.

#### **Article 87. (Revised) Types of Customs Offenses**

Customs offenses are classified into two types: minor offenses and serious offenses.

Minor offenses have three degrees:

- Minor offenses at the first degree;
- Minor offenses at the second degree;
- Minor offenses at the third degree.

Serious offenses have two degrees:

- Serious offenses at the first degree;
- Serious offenses at the second degree.

## **Article 88. (Revised) Minor Offences at the First Degree**

Minor offense at the first degree is as follows:

1. Incorrectly and incompletely declaring detailed information that did not cause a significant impact on customs duties and other obligations;
2. Hiding or refusing to provide necessary documents to Customs Authorities as defined in Article 64 of this Law;
3. Disturbing or creating difficulties to Customs Authorities to implement their duties;
4. Goods are not imported into and/or exported from Lao PDR through the checkpoint as specified in the license;
5. Using vehicles to commit customs offenses;
6. Other offenses, if they are not included in other types of customs offenses.

Anyone who commits a minor offense at the first degree shall be fined as follows:

- [For a] value of goods lower than 5,000,000 Kip, they shall be educated and warned;
- [For a] value of goods from 5,000,001 kip to 10,000,000 Kip, they shall be fined five per cent (5%) of the value.
- [For a] value of goods [above] 10,000,001 Kip, they shall be fined ten percent (10%) of the value.

## **Article 89. (Revised) Minor Offenses at the Second Degree**

Minor offenses at the second degree are as follows:

1. Declaring incorrect information that affects customs duties and other obligations such as: tariff classification, country of origin, tariff, tax rates, declared customs values, and other information;
2. Declaring the incorrect number of boxes of goods or combining many units or many types of goods into one unit or one type, and thereafter submitting to the Customs Authorities, thereby intentionally evading the customs duties and other obligations;
3. Declaring the incorrect number of boxes of goods that are under customs duty and other obligations [that are] suspended, exempted or reduced;
4. The export-import of goods without permission from relevant sectors;
5. Decreasing or increasing the number of goods and not declaring the number of goods in a warehouse regime;
6. Violating regulations on export, import, movement and transit of goods;
7. Using vehicles or goods that are under temporary customs duty and other obligations [that are] suspended, exempted and reduced outside their purposes.

Any person who has committed minor offences at the second degree shall fully pay customs duties and other obligations as defined in the laws and regulations. In these cases, they are also subject to a fine of 30 percent (30%) of the value of goods.

If the offense occurs a second time, the violator shall pay customs duties and other obligations in full amount and also a fine of fifty percent (50%) of the value of goods.

The seized goods, materials and objects used for concealing and vehicles used for committing the offence, that are not controlled by the State shall be returned to the owner after the case is solved.

### **Article 90. (Revised) Minor Offense at the Third Degree**

Minor offences at the third degree are as follows:

1. Minor offenses at the second degree committed for the third time;
2. Exporting or importing of non-controlled and non-prohibited goods out of or into the Lao PDR without making detailed customs declaration;
3. Concealing goods through the use of vehicles or materials in order to intentionally avoid customs duties;
4. Storing or possessing non-controlled or non-prohibited goods over the needs of household consumption without holding detailed customs declaration documents according to the laws and regulations.

Any person who has committed a minor offence at the third degree will be considered as intentionally avoiding customs and shall pay full customs duties and other obligations and a fine at seventy percent (70%) of the value of the smuggled goods.

If an offense at the third degree was committed for the second time, customs duties and other obligations shall be paid in full amount according to the laws and regulations together with a fine at one hundred percent (100%) of the value of the goods.

The seized goods, materials and objects used for concealing, and vehicles used for committing the offence, that are not controlled by the State shall be returned to the owner after the case is solved.

### **Article 91. (Revised) Serious Offense at the First Degree**

A serious offense at the first degree is the act of exporting-importing or moving of controlled goods without holding a detailed customs declaration or without an authorization from relevant sectors or if a minor offense at the third degree was committed on a repeated basis.

Any person committing a serious offense at the first degree shall pay a fine at thirty percent (30%) of the value of goods. The seized goods shall belong to the State.

## **Article 92. (Revised) Serious Offense at the Second Degree**

A serious offense at the second degree is a serious offense at the first degree that occurs for the second time, and the violation of intellectual property rights and falsification of customs documents.

Any person committing a serious offense at the second degree shall pay a fine of fifty percent (50%) of the value of goods. The seized goods shall belong to the State.

A serious offense at the second degree is a criminal offense, in which the violators shall be prosecuted based on the Law on Criminal Procedure and other relevant laws.

## **Article 93. Offense Related to Prohibited Goods**

When Customs Authorities discover illegal goods, such as weapons, opium, heroin, amphetamine or narcotics and other prohibited items, the Customs Authorities shall document the seizure of these items and send the evidence with the suspect to the People's Prosecutor for prosecution as defined in the laws and regulations.

## **Article 94. Possessing Goods and Vehicles**

Any person who possesses illegal goods or whose vehicles containing such goods shall be responsible for such goods and vehicles.

Drivers of all kinds of vehicles will be responsible for customs and criminal activity only if the violation of the Customs Law arises from their own actions.

## **Article 95. (Revised) Civil and Criminal Responsibility**

The owner of goods shall be responsible for any civil offense on behalf of a person who is assigned by the owner to carry out the customs declaration, payment of customs duties and other obligations that are not according to the laws and regulations, and shall be responsible for the seized goods.

The guarantor shall be responsible for the payment of customs duties and other obligations according to the laws and regulations that are under the responsibility of the person being guaranteed by the guarantor.

The colluders for a customs offense shall be prosecuted based on Law on Criminal Procedure and the measures of this Law shall be taken.

## **Chapter 2**

### **Customs Case Proceedings**

#### **Article 96. (Revised) Making a Report Regarding Seized Goods**

When a customs offense is found, the Customs Authorities have the right to seize goods and vehicles that are used to commit the offense as well as related documents as evidence for legal proceedings.

A written report regarding the seizure of goods shall be made immediately by at least two customs officers.

The report of the seizure of goods shall be prepared in the presence of the suspect and the suspect shall be asked to read the report. In case the suspect cannot read the report, this shall be assigned to a third party to read out loud, then the suspect shall sign it or put his/her finger print on the report. In case the suspect refuses to sign or to put his/her fingerprint on it, a remark to that effect shall be written on the report. The report shall be made in three originals, one to be used for the case file, another to be given to the suspect and the other to be kept with the Customs Administration.

In case the suspect is not found, after the completion of the report, Customs Authorities shall make a notice and post it in front of customs offices or on various media within forty-eight (48) hours. The notice shall require the owner of the goods to contact the Customs Administration within twenty-one (21) days from the date of notification. If the owner does not contact the Customs Administration by the deadline, the goods will belong to the State; if they are controlled goods or prohibited goods they shall be subject to court proceedings based on the laws and regulations.

#### **Article 97. (Revised) Statement Hearing**

After the completion of the report on the seizure of goods, the Customs Authorities shall take statements from the suspect and then make a statement report according to the following procedures:

1. Taking a statement from the suspect shall be done immediately at the time of seizing the goods. In case the statement cannot be obtained immediately, a report shall be made with reasons for this;
2. Before taking statements, the Customs Authorities shall notify the suspect of the violations and also explain the rights and obligations of an accused person; when taking a statement, there shall be at least two customs officers present;
3. Taking of the statements shall be conducted in a place determined by the Customs Administration;
4. When the taking of a statement is completed, the person who is giving the statement shall read the contents of the report; if that person cannot read, there shall be third person who reads it aloud or the report taker shall read it aloud and then the person who is giving a



statement shall sign it or put his/her fingerprint on it. If the person giving a statement intends to modify by adding or reducing certain information, there shall be a signature on the changes and he/she shall put a fingerprint in front of the corrected line;

5. In case the person who is giving a statement declines to sign or put a fingerprint [on the report], the Customs Authorities who are conducting an investigation shall make a remark [to this effect] at the end of the report;
6. While taking a statement, the suspect or persons who are involved in the case and officials who take the statement are prohibited from using violence, force, threats or other illegal measures;
7. The report of a statement shall be made in three originals; one original is used in the case file, another is given to the suspect and the other is kept with the Customs Authority.

### **Article 98. (Revised) Preservation of Evidence**

Goods and means of transportation that are seized for evidence shall be kept by the Customs Authorities. It is prohibited to use, cause damage to, lose, interchange or steal the evidence. The offender shall be responsible in accordance with applicable laws.

With respect to rapidly deteriorating goods or goods that are not appropriate for storage, the Customs Authorities shall conduct auctions according to the laws and regulations. The sale proceeds of such goods shall be kept by Customs Authorities until the termination of the prosecution.

### **Article 99. (Revised) Mutual Consent**

Customs Authorities may settle customs cases based on the consent of the offender and applicable laws and regulations.

From the date of signing the report, the offender shall make a consent settlement regarding a case with the Customs administration within seven (7) working days. If he/she fails to do so, Customs Authorities shall post a notice at the Customs Office or in the media requiring the offender to make contact within twenty-one (21) days from the date of announcement. If it is beyond the deadline, such goods will belong to the State; if they are controlled or prohibited goods, they shall be subject to court proceedings based on the laws and regulations.

In case the offender consents with the contents of the report, the Customs Authorities shall enter into a consent report requiring the offender to pay customs duties and other obligations with penalties immediately.

If the payment cannot be made immediately, it shall be paid not later than fifteen (15) days from the date of making a consent report. After the payment is completed, the non-controlled and non-prohibited goods with vehicles and materials used in connection with the offense shall be returned to the owner.

### **Article 100. (New) Inspection of Vehicles and Persons**

The inspection of vehicles means conducting inspections of all kinds of vehicles, boats, ferries, ships, airplanes, trains or other means of transportation when there is strong evidence or indications of concealing smuggled goods. Inspections can be made at any time and shall be made in the presence of the owner of the means of transportation or drivers.

The inspection of a person shall be made in appropriate locations and shall be done by [a customs officer of] the same sex as the person being inspected.

### **Article 101. (New) Inspection of Premises**

The inspection of premises shall be implemented according to the following rules:

1. Shall request for an authorized order for inspection in writing from the People's Prosecutor or the People's Court, except in the case Customs Authorities are chasing smugglers at close distance or there is a face-to-face offense that is urgent. These inspections shall be reported to the People's Prosecutor or People's Court within forty eight (48) hours after the inspection is completed;
2. Prior to and after inspection, the Customs Authorities and persons involved shall be honest with the owners of the premises that are being inspected;
3. Shall be done in the presence of owners of the premises, at least two witnesses and representative of local administration. In the case of inspecting companies, offices, and organizations, inspections shall be done in the presence of representatives of the premises or concerned authorities;
4. Once the inspection is completed, a report on the findings of the inspection shall be made and read out to people involved in the inspection and then signed by them or put his/her fingerprint on it for evidence. The report shall be made in four originals; one original version to be attached to the case file, another version given to the owner of the premises, another original version give to the local authority and the fourth original version is kept by Customs Authorities.

## **Chapter 3 Procedures for Submitting a Case to Court**

### **Article 102. (Revised) Customs Cases Taken to Court**

Customs cases that the Customs Administration can take to court are the following:

1. There is no consent to pay customs duties and other obligations as well as the fine;
2. The consent report is not complied with;
3. The seizure of goods and vehicles without any owner;
4. Security contract is not complied with;
5. Offense is committed repeatedly or is a criminal offense.

### **Article 103. (Revised) Submitting the Case File**

The Customs Administration shall submit a case file to the competent People's Prosecutor or People's Court to proceed with a case based on the laws and regulations.

The case file shall consist of an application, a report regarding the seizure of goods or an order to open the investigation, an investigation report and other required documents.

The contents of the application shall briefly indicate the offense of the offender, the accusations, the articles of the law that are violated and the objectives and content of the civil proceeding.

The prosecution shall comply with the Law on Criminal Procedure or Civil Procedure and other relevant laws.

### **Article 104. (Revised) Rationale for Opening the Investigation**

The Customs Administration will conduct an investigation for a customs case in order to prosecute [a case in] court when customs documents are falsified, the case becomes complicated or Customs Authorities are physically attacked and other offenses as defined in the Law on Criminal Procedure or other laws that identify criminal offenses.

For the offenses that are considered as criminal offenses as defined in Article 102 of this Law, when having sufficient evidence, the Customs Administration may submit case files to the People's Prosecutor to directly take [the case] to court without opening investigations.

### **Article 105. (New) Order for Opening Investigation**

The Director General of the Customs Department may issue an order to open an investigation under his/her mandate/jurisdiction and according to the provisions of this Law and the Law on Criminal Procedure.

### **Article 106. (New) Evidence for Case Files**

The Customs Authorities who conduct investigations shall accurately, completely and objectively inspect the evidence, including physical, documentary and witness evidence that indicate legal offenses, as follows:

1. Physical evidence refers to the materials used as evidence in a customs offense, such as the evidence received from the seizure of goods, objects, materials and other equipment used for committing customs offenses;
2. Documentary evidence refers to information related to detailed customs declaration and supplementary documents as defined in Article 64 of this Law, investigation memorandum and other records such as accounting books, photos and other documents related to customs offenses;

3. Witness evidence refers to the statement of suspects, witnesses and certified comments from experts and others that are related to customs offenses.

## **Chapter 4 Resolving Customs Cases**

### **Article 107. (New) Resolving Customs Cases**

Customs cases where a resolution has been consented to or goods that have been seized and ownership has been transferred to the State, are considered to have been finally resolved, except for the criminal offenses.

In cases where the organizations, civil servants, soldiers and police officers capture, seize or confiscate smuggled goods in a face-to-face or urgent situation, they shall immediately provide the case along with information and evidence to the nearest Customs Authorities to settle customs cases as defined in this Law.

### **Article 108. (New) Allocation of Fines and/or Sale of Confiscated Goods**

Once a customs case is completed and after deducting all expenses, the remaining money from customs duties and other obligations shall be allocated to the State budget. For the allocation of fines or sale of confiscated goods, it is identified in the separate regulation.

### **Article 109. (Revised) Participatory Obligation**

In the course of customs authorities performing their duties to combat and suppress customs smuggling activities, civil servants, soldiers, police officers and the general public have the obligation to participate and cooperate.

## **PART XV CUSTOMS ADMINISTRATION AND INSPECTION**

### **Chapter 1 Customs Administration Organization**

#### **Article 110. (Revised) Customs Administration Organization**

The Government centrally and uniformly supervises customs activities nationwide by assigning the Ministry of Finance to be the focal point for collaboration with other ministries and relevant local administration.

The Customs Administration Organization consists of:

1. Ministry of Finance;
2. Customs Department;
3. Regional Customs;
4. Border Customs Checkpoints.

#### **Article 111. (Revised) Rights and Duties of the Ministry of Finance**

The Ministry of Finance has the rights and duties to administer customs activities as follows:

1. To research strategies, policy plan, laws and regulations and plans relating to the development of customs activities for submission to the government for consideration;
2. To issue regulations, decisions, orders, instructions and notifications relating to customs activities;
3. To supervise, monitor and inspect the implementation of the duties of customs administration throughout the country;
4. To propagate and disseminate policies and laws and regulations relating to customs and other relevant laws;
5. To collaborate with various sectors at central and local levels and to supervise and promote the implementation of the Customs Law and regulations;
6. To develop capacity building and training plans and provide incentives towards outstanding customs officers based on regulations;
7. To cooperate and liaise with foreign countries and international organizations with regard to the administration of customs activities;
8. To summarize and report to the Government and the National Assembly [on issues] relating to customs activities;
9. To exercise other rights and duties as stipulated in the laws and regulations.

For the rights and duties of Customs Department, Regional Customs and Border Customs Checkpoint, it is stipulated in Article 75 of this Law.

## **Chapter 2 Customs Inspection**

#### **Article 112. (Revised) Customs Inspection Organizations**

Customs Inspection Organizations consist of internal control organizations and external control organizations.

1. Internal control organization:
  - Ministry of Finance, Financial Audit Department of the Ministry of Finance.
2. External control organizations:
  - National Assembly;
  - Government Inspection Authority and Anti-Corruption;
  - State Audit Organization;

- Local Administration at all levels, Lao Front for National Construction, Mass organizations, civil society, mass media and other concerned sectors that are involved in inspection according to their mandates.

### **Article 113. (Revised) Rights and Duties of Internal Control Organizations**

Internal control organizations have the rights and duties to control the implementation of laws and regulations and the performance of duties and responsibilities of the Customs Administration at each level.

### **Article 114. (Revised) Rights and Duties of External Control Organizations**

External control organizations have the rights and duties to control the implementation of duties of the Customs Administration within their scope of rights and duties to ensure efficiency, transparency and fairness of customs activities.

### **Article 115. (Revised) Forms of Inspection**

Inspection by the Customs Administration consists of three forms as follows:

1. Regular inspection is an inspection that is carried out according to a plan on a regular basis and at a specified time;
2. Inspection upon advance notification is an inspection that is conducted outside the plan when it is necessary and that requires advance notification to the person subject to the inspection;
3. Urgent inspection is the inspection that is carried out quickly without advance notification to the person subject to the inspection.

During an inspection by the Customs Administration, the inspectors shall strictly carry out their rights and duties as defined by the laws and regulations.

## **PART XVI INCENTIVES TOWARDS OUTSTANDING PERFORMERS AND MEASURES AGAINST VIOLATORS**

### **Chapter 1 Incentives towards Outstanding Performers**

#### **Article 116. Rewards**

Customs Authorities, civil servants, soldiers, police officers and the general public who contribute to customs activities by providing data and information, and were involved directly or indirectly in arresting suspects regarding customs offenses, shall receive reward certificates or other benefits specified by the Government.

### **Article 117. (Revised) Policies towards the Declarant**

Declarants who are honest and [who] accurately and fully comply with the laws and regulations on a timely basis shall be complimented and receive facilitation to operate their export-import of goods.

## **Chapter 2 Measures against Violators**

### **Article 118. (Revised) Measures against Declarants**

Any declarant who violates the Customs Law and regulations and other relevant laws and regulations, apart from education, warning, fine or prosecuted customs case proceedings, shall be subject to compensation for civil damages resulting from their actions; and shall be criminally prosecuted based on the severity of the case.

### **Article 119. Measures against Customs Authorities and Customs Administration**

Any Customs Authority and Customs Administration who violates the Customs Law and regulations but does not cause any damage to customs revenues and other obligations will be educated and warned.

Any person who intentionally violates the laws and regulations and their action results in some damage to customs revenue and other obligations will be subject to disciplinary measures in accordance with the regulations [and] must pay compensation for damages.

Any person who violates the Customs Law and regulations and cause substantial damage to the interests of the State, the collectives or individuals, such as abuse of position, power and duty for personal interests, taking actions exceeding their authority, falsifying documents, or taking bribes, shall be subject to criminal prosecution depending on the severity of the offence and in accordance with the laws and regulations.

## **PART XVII FINAL PROVISIONS**

### **Article 120. (Revised) Adjustment of Tariff**

In case it is necessary to adjust a tariff to be in line with the national social-economic growth in each period, the government may propose to the Standing Committee of the National Assembly for consideration and propose to the President of the State to issue temporarily a Presidential Decree for promulgation consistent with relevant laws, agreements and international conventions in which Lao PDR is a Party to.

### **Article 121. (Revised) Implementation**

The Government of Lao People's Democratic Republic shall implement this Law.

### **Article 122. (Revised) Effectiveness**

This Law is effective after ninety (90) days from the date the President of the Lao People's Democratic Republic issues a Presidential Promulgation Decree.

This law replaces the Customs Law No.05/NA dated May 20, 2005

Any regulations and provisions that contradict this Law shall be cancelled.

**President of the National Assembly**