

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE UNITY SOCIALISM

PROPERTY LAW

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PROPERTY LAW

CHAPTER I

GENERAL PROVISIONS

Article 1 : Property

Property designates the total and definite right of the state, collectivities, individuals and privates over a given asset in terms of holding, use, usufruct and decision within the limits provided by the laws.

Article 2 : Types of property

There are five types of property :

- State property
- Collective property
- Individual property
- Private property
- Personal property

Collective property is classified as belonging to cooperatives and other collective organizations.

The state protects such property by law.

CHAPTER II

STATE PROPERTY

Article 3 : Owner of state property

The state is the sole owner of all state properties;

however these assets are under the control of state organizations.

State organizations exercise the right of control, use and usufruct and decision, may lease them to collective organizations or individuals as provided by the laws and in accordance with their jurisdiction and the state plans.

Article 4 : *State owned properties*

State properties include two categories :

- *Material and technical basis of the society under state control, such as factories, land, water and air transport vehicles, transmission facilities, postal services, banks, enterprises and others owned by the state;*
- *Assets used in the operations led by the state apparatus such as buildings, vehicles, tables, chairs and others.*

Land, water, forests, water and land animals which are natural resources belonging to the national community represented by the state, the state may grant the right of control, use, transfer and inheritance to other organizations, economic units and individuals.

Other organizations, economic units or individuals may transfer or take over a land but do not have the right to undertake commercial transactions.

Article 5 : *Acquisition into state property*

State property derives from :

- *Nationalization;*
- *The establishment of state organizations and*

- enterprises;
- State tax levy;
- Purchase of assets out of obligation;
- Confiscation of assets;
- Acquisition of unowned assets;
- Collection of lost items;
- Discovery of valuable materials;
- Acquisition of unattended animals;
- Purchase and exchange;
- Donation of assets to the state;
- Inheritance.

Article 6 : *Definite regulations on the state's fixed assets*

Regulations pertaining to the grant of state enterprises, buildings, constructions, materials and others which are fixed assets of a state institution to another state institution are provided in specific laws.

The above-mentioned assets may not be handed over as the property of an individual except for certain assets which are sold according to the outlined regulations.

Article 7 : *Definite regulations on working assets and products*

State institutions have the sole right of decision over raw material, materials, money and working assets and processed products in accordance with their utility and outlined plans.

No individual will have the right to make use of state assets for his personal interest.

Article 8 : *Regulations on the confiscation of state assets*

Enterprises, buildings, constructions, materials and other assets which are fixed assets of state institutions may not be used as guarantee and may not be seized nor confiscated on claims formulated by a creditor, except for financial means and other assets provided by the laws.

State properties in foreign countries are to be handled similarly as for state properties in the country.

Claims for state assets from illegal holders may take place at any time without time limit for such civil claims.

CHAPTER III

COLLECTIVE PROPERTY

Article 9 : *Property of cooperatives and other collective institutions*

Properties of cooperatives and other collective institutions include production means and other necessary assets for the implementation of their work, such as machinery, transport means, tractors, bulldozers, animals, buildings, construction items, enterprises, living quarters, fixed capital, working capital and others.

Article 10 : *Terms of property of cooperatives or other collective institutions*

Cooperatives or collective organizations bear the right of possession, use, usufruct and decision over assets belonging to them as provided by the laws and exercise such rights according to their statutes.

The right of decision over assets is given to the cooperatives or other collective organizations for its autonomous application and no individual may bring decision over such assets.

Article 11 : Acquisition of properties of cooperatives or other collective organizations

Cooperatives or other collective organizations obtain their properties from :

- Material contributions from each member;*
- Production and services*
- Purchase and exchange;*
- Material and financial support from the state, other organizations and individuals and others.*

Article 12 : Use of land under the right of cooperatives or other collective organizations

Cooperatives or other collective organizations must make correct use of the land under their control, otherwise they will be fined according to the regulations on the management and use of agricultural land or the state may take back the land and grant it to other economic units or individuals without any liability for compensation.

Article 13 : Regulations on the confiscation of assets belonging to cooperatives and other collective organizations

Buildings, constructions, bulldozers, tractors, transport means and other assets considered as fixed assets of cooperatives or other collective organizations may not be confiscated except for financial means and other assets as provided by the laws.

CHAPTER IV

INDIVIDUAL, PRIVATE AND PERSONAL PROPERTY

Article 14 : Individual properties

Individual property comprise production means, products and merchandises belonging to small owners : farmers, craftsmen, manufacturers and others.

Article 15 Rights and obligations of individual properties' owners

Owners of individual properties have the right to freely undertake the production, services and sale of their products according to the laws.

Owners of individual properties will have to abide by the laws, economic and other policies set out by the state, and remit taxes to the state in totality.

Article 16 : Private properties

Private property include production means, products, merchandises and capital in the conduct of business activities led by economic units belonging to the owner(s) of the enterprise as contribution to the national development and improvement of the people's living conditions.

These economic units administer and decide on the commercial production, assume the responsibility over their own income, expenses, profit or losses.

Article 17 : *Rights and obligations of private economic units*

Private economic units have the right to undertake production, business, construction, transport, commerce, services and various contracts, to use currencies for the import of raw material, materials and others, to sell their products on a free basis according to the laws, to enter business cooperation within the country or abroad.

These economic units must lead commercial production as provided by their enterprise licenses, and, in addition, strictly comply to the laws, the economic and other policies set by the state, remit their tax obligations to the state in totality and keep accounts according to the laws on accountancy.

Article 18 : *Recognition of private economic units' autonomy*

Private economic units bear the status of juridical person.

The state recognizes the right of property over different assets belonging to private economic units.

No individual will transgress the rights of these economic units.

Article 19 : *Measures taken against private economic units*

In case private economic units indulge in production and business activities outside the objectives set out in their statutes or transgress regulations, such as not applying the law on accountancy, not paying charges in due time, forging or renting or lending their enterprise licenses to other individuals, the owner(s) of such economic units

will be submitted to measures provided in the regulations on the registration of private enterprises.

Article 20 : *Personal properties*

Personal property include consumer goods, items for personal use, facilities, houses, furniture, raised animals and other incomes.

Article 21 : *Terms of personal property*

The owner has the right of administration, use, usufruct and decision over his assets and income as needed, but may not make use of his assets to alter the legal interest of the state, collectivities and other individuals.

Article 22 : *Retainment of unused land*

Any individual retaining idle land without clearance or any form of production will be imposed a penalty according to the regulations of the management and use of agricultural land, or the state may transfer such land to other individuals without any liability for compensation.

Article 23 : *Confiscation and seizure of individual, private and personal assets*

Individual, private and personal assets may be confiscated or seized, except for food, garments, consumer goods, animals which are necessary for the survival of the debtor and his dependents and other assets enlisted by the penal code.

Article 24 : *Personal properties belonging to members of*

cooperatives and other collective organizations

Personal properties of cooperative members or of other collective organizations include personal income generated by their work and assets gained or received through inheritance or grants, which do not belong to the cooperatives or other collective organizations.

Assets belonging specifically to cooperatives or other collective organizations according to set regulations may not become personal properties belonging to members of cooperatives or other collective organizations.

Article 25 : Collective property

An asset may become collective property between state or collective organizations, between state or collective organizations and individuals, and between individuals, such as enterprises, buildings, houses, fences, yards.

The owners of a collective property have the right to commonly administer and make use of the asset, to benefit and decide over it on the basis of general agreement; each person is jointly responsible for tax remittance, preservation, maintenance, liabilities and other expenses.

Every owner of collective properties has the right to request the division of his share from the collective property on the basis of general agreement. If the asset under collective property may not be divided, compensation may be given according to the value of the share.

Article 26 : Conjugal property

Conjugal property are the assets gained by a married couple during their married life, except for personal items

of low value.

Husband and wife have equal rights over conjugal property notwithstanding who actually acquired the asset.

Assets belonging to the husband or the wife prior to their marriage or received through inheritance or granted specifically to the husband or the wife during their married life will not be considered as conjugal property.

Assets for personal use, such as clothing and other items for specific use, though acquired during their married life, will not be considered as conjugal property, except for valuable assets, such as precious stones, gold, and other valuable jewelry.

Article 27 : Share of conjugal property

Conjugal property will be shared ulteriorly to divorce. In the instance whereby the couple is separated, or either husband or wife has made inappropriate use of conjugal property, or shows dishonesty towards the conjugal property, the share of conjugal property may take place before the divorce.

Husband and wife will receive equal shares from conjugal property in general cases.

In case the husband or the wife is responsible for altering the marital relations or the conjugal property, the responsible side will receive only one third of the conjugal property.

If the children are still minors, the party assuming their charge may receive a larger share as decided by the court.

CHAPTER V

ACQUISITION AND TERMINATION OF PROPERTY

Article 28 : Acquisition of a property

The acquisition of a property takes place as the asset is granted or received in conformity with the laws. Properties may be acquired according to contracts concluded before the act of granting or receiving the mentioned asset.

If the contract on the grant of assets to other individuals or such assets are still to be registered, property will commence as registration is completed, though the act of granting has already been done.

Article 29 : Handing over assets

Handing over an asset is to give an asset to an organization or individual designated as the beneficiary.

The grant of assets through a carrier or the postal services so as to forward to the beneficiary and the handing over of transport documentation or packages will be considered as the act of granting the assets to the beneficiary.

Article 30 : Legal possession

Legal possession is the possession of assets by an individual according to set regulations and principles. Fixed assets which must be registered will be administered by the license bearer or by the empowered person by the latter.

Article 31 : *Possession of materials according to special authorizations*

Certain types of materials, such as weapons, poisonous agents, precious metals may only be possessed by an individual if specifically authorized by the competent authorities.

Article 32 : *Regulations on the grant of antiques and objects of fine arts to other individuals*

Antiques and objects of fine arts may only be sold or handed over to other individuals when authorized by the authorities in charge of the preservation of antiques. The state is given the prior right to purchase antiques before other individuals.

The sale or grant of such antiques to other individuals contrary to the above paragraph will be considered as non valid and will have to abide by the regulations pertaining to non-valid contracts.

Article 33 : *Loss or damage occurred by accident or uncontrollable reasons to assets as they are handed over*

Loss or damage occurred to assets by accident or uncontrollable reasons as they are handed over is a happening taking place at the moment of handing over the asset which was not caused by the fault of the consignor, the carrier or the beneficiary. In case of loss or damage incurred to the asset by accident or uncontrollable reasons, the owner of the assets at that time will assume the responsibility over the damages unless otherwise provided in the contract.

If the consignor, the carrier or the beneficiary delays the grant, transport or receipt, the relevant person will be

responsible for the loss or damage incurred by accident or uncontrollable reasons.

Article 34 : Property over gains and income

Gains and income generated from an asset will belong to the owner of such asset unless otherwise provided by the laws or the contract.

Article 35 : Property over inheritance

Inheritance received by heirs according to the law or by will be recognized as their property when taken over.

In case there is no heir, the legacy will become the property of the state, except if such legacy belonged to believers as provided in Article 23 of the inheritance law.

Article 36 : Assets without owners

Unowned assets are assets whose owner has withdrawn his right of possession or have forfeited such right due to the expiration of the court case or in the instance the identity of the owner is not determined.

Financial authorities have the sole right to suggest the court to decide upon the state ownership over unowned properties. If the asset belongs to a cooperative member who has withdrawn or lost his rights, it will become the property of the cooperative where the asset is located.

Article 37 : Measures applied towards unowned properties

Assets recognized as being unowned will be entered in the state's inventory of assets.

After such assets have been taken over by the state, the owner still has the right to lodge a court appeal to regain it or request compensation for damages in case the appeal as mentioned in Article 35 of the contract law has not yet expired.

Article 38 : *Collection of lost items*

Persons finding lost items no matter where have the obligation to inform and return them immediately to the persons who have lost such items if their identity is known, or declare such discoveries and hand them over to police authorities or administrative committees to keep or to the board of directors of relevant enterprises or offices in case such lost objects are discovered or collected in the mentioned enterprises or offices.

In certain cases, lost items may become the property of the finders or of the state without any compensation if they are not claimed by their owners within a period of six months from the day they are declared.

Article 39 : *Compensation of expenses to finders of lost items*

Persons finding and returning lost objects have the right to receive compensation for expenses incurred in their preservation and return to their owners. In case the lost items are handed over state property, the relevant state institution is to remit the compensation.

Finders of lost items have the right to request a reward not exceeding fifteen per cent of the value of the lost items from their owners or individuals entitled to receive the lost items.

In case finders of lost items do not declare immediately their discovery, reward will not be remitted.

Article 40 : Unattended animals

Persons getting hold of unattended or strayed animals must inform immediately and return them to their owners, or inform village police authorities or administrative committees within three days of their capture.

If unclaimed by their owners, the animals will be given to the finders to care, feed and use.

In case the owners of the animals are identified within six months from the declaration, the animals will be returned to them but the latter will have to compensate for the expenses incurred in tending and feeding the animals and present rewards as provided for in Article 39 hereabove.

In the instance persons getting hold of animals is facing difficulties in attending or feeding them, or if an epidemic starts, keepers may sell them after informing and being authorized by village authorities or administrative committees, but must preserve the sum of money generated in the sale of such animals for their owners.

In case the owners may not be found within a period of six months, they will lose their right of property over the animals.

Article 41 : Discovery of valuable objects or antiques

Valuable objects designate gold, silver or valuable metals and minerals hidden or buried in the earth or in any particular method and when the identity of owners may not be known or their owners have lost their rights of property over such valuable objects or are not in a position to claim ownership. In such cases, valuable objects will become state property and finders must remit them to financial authorities.

Persons finding and returning valuable objects or

antiques are entitled to receive rewards or premiums of fifteen per cent of their value, except if it is their direct duty to conduct searches.

Article 42 : *Acquisition of property through possession of others' property with well intention*

Any person administering other individuals' asset with well intention as their own for a continuous period of twenty years in case of fixed assets and for a continuous period of five years in case of movable assets will gain the right of ownership over such asset. Such administration with well intention is reflected in its openness, continuity and stability. Beyond this period of time, the original owners will have no right to make claims over such property.

If the concerned person administers the asset within a period not reaching the time limit mentioned in the first paragraph, but hands them over to the administration of other individuals with well intention, the period of time required to gain the right of ownership will start from the day they are handed over by the first individual. Beyond such period, the new holder will gain the property.

State or collective assets will not become the property of well intentioned holders in any case although the period mentioned in the first paragraph has been completed.

Article 43 : *Purchase of assets out of necessity*

The purchase of assets in case of necessity occurs when the state appropriates the assets from their owner for the interest of the state or of the society in which the state will pay compensation to the owner of the asset.

This act of purchase by the state in case of necessity can

only be applied in necessity or urgent cases, such as those related to development, natural calamity, epidemics and others.

Compensation for the asset purchased by the state due to necessity shall be carried out within an appropriate time as the circumstances might allow.

In the instance where the act of purchasing assets out of necessity is questionable, the owner has the right to lodge an appeal to the authority superior to the institution which has sent its agent to purchase the asset and, in addition, is entitled to demand the reinstatement of his asset and compensation for the damage incurred.

Article 44 : Confiscation of assets

Confiscation designates the act undertaken by the state in acquiring the assets in totality or in part without any indemnity of an individual infringing the laws.

Confiscation may only be applied when specifically provided by the laws.

If there is malpractice in the confiscation of properties, the said properties will be returned to their owners who are furthermore entitled to demand compensation.

State or collective assets may not be confiscated except for cases provided in Article 8 and 13 of this law.

Article 45 : Termination of ownership

Property over any asset will terminate in the following instances :

- The owner has fully defined his decision over the property;*

- *The asset has perished by accident or force majeure, such as thunder, flood, earthquake and others;*
- *The owner has made no claim to regain his property back during the period of court appeal;*
- *The properties have been confiscated by the state or seized for auction according to decision reached by the court in order to pay the owner's debts.*

CHAPTER VI

SCOPE OF APPLICATION OF OWNERSHIP

Article 46 : *Use of property*

The use of property designates the use of owned means or assets to meet daily needs or specific interest, but should not undermine or hinder the rights and interest of the state, the society or of other individuals.

Article 47 : *Areas permitted for building dwellings or planting trees*

Individuals authorized to build dwellings or other constructions do not have the right to raise their roofs at a higher level liable to pour rainwater or covering other individuals' neighboring land or houses.

Individuals having built houses, planted trees, fruit trees or vines or others on land which he has the right to use will not cause damage to the owners of neighboring houses or hamper road circulation.

Article 48 : *Rights of the damaged party from the misuse of property*

The damaged party from causes mentioned in the second paragraph of Article 47 may lop off branches or vines or cut off roots projecting into his land within seven days after having given notice to the owner but is ignored by the latter or the damaged party may protect his interest as mentioned in Article 63 and 64 of this law.

In addition, the damaged party has the right to demand compensation for damages incurred.

Article 49 : *Authorization for road passage*

An individual possessing a house surrounded by houses or land under the tenancy of other individuals without passage way to the road has the right to request a passage from the neighboring land tenant closest to the road. The requested land tenant must authorize a passage way but is entitled to ask for reasonable compensation for damages incurred to plants or constructions in using land as passage way.

In case electric cables, telephone line or drainage, water pipe, drinking water pipe must pass through a land causing the destruction or damage to trees or crops of its tenant, the latter may request indemnity for damages implicated from such act. If the land tenant also benefits from such act, he will not be entitled to any indemnity.

Article 50 : *Authorization for the passage of drains*

Any individual needing to drain water from their place of residence has the right to request the passage of drains through the land of the neighbor living right behind or near canals. Requested parties must authorize such work but are entitled to ask for indemnity of damages inflicted

upon crops or constructions. The solicitor to dig drains must ensure the sanitation and an appropriate state of drains.

Article 51 : *Rights of agricultural products attendants*

Attendant of houses or orchard have the right to make use of crops according to reached agreement with the owner of the house or of the orchard.

Article 52 : *Obligations of house or orchard attendants*

A land or orchard attendant has the obligation to appropriately preserve or take care of plants in the said land.

If there should be trees or other plants dying or dead, the attendant must pay for the damages to the owner of the land or the orchard unless the damage is not caused by him.

If the attendant has made unreasonable use of the produce, more than as agreed, compensation must be paid to the land or orchard owner. In such case the latter may not allow the person to benefit from the produce anymore.

Article 53 : *Rights of the land or orchard owner*

The land or orchard owner may build a fence around his property, but in doing so he must not create obstacle to road circulation, nor block any passage way previously used in this piece of land, nor project into the neighboring piece of land.

Article 54 : Responsibilities of the land or orchard owner

If the attendant realizes that plants growing on the land he is taking care of is endangered such as because of a deficient fence or pests or for other causes and has already warned the land or orchard owner but the latter remains indifferent, all damages incurred will be taken in charge by the land or orchard owner. If the attendant has made use of his own belongings to hinder such damages, the land or orchard owner must pay compensation for the expenses incurred by the attendant.

Article 55 : Acknowledgement of the right to use vacant land and deteriorated forest land

The state acknowledges the right for individuals, or cooperatives or collective organizations willing to use vacant land or deteriorated forest land for their restoration and development or for cultivation, animal husbandry on their own expenses.

CHAPTER VII

PROTECTION OF PROPERTY

Article 56 : Protection of property

The protection of property means the application of measures specified in laws against individuals violating the right of property of other individuals in order to restore the violated rights and interest of the owners.

Article 57 : Court appeal for the return of assets

When the right over assets of their owners are violated

by other individuals which are possessing them illegally, the concerned persons are entitled to file a court case against such individuals for the return of their belongings.

Illegal occupants are violators of legal provisions in view of appropriating other individuals' assets or persons receiving assets from others who do not have the right to hand them over.

Article 58 : *Well intentioned but illegal occupant of properties*

An illegal but well intentioned occupant of properties is a person who does not know and who may not know that such assets are the property of other individuals.

In this case, if the original owner demands his property back, the tenant must return it, but the owner must pay compensation according to the value of assets to the tenant. The original owner also has the right to demand compensation for damages from the person who has illegally handed over the property.

If the tenant has received the property through grants or inheritance, there will be no compensation for the value of the property or for any damages.

Article 59 : *Illegal occupants of property with ill intention*

An illegal occupant of property with ill intention is a person who knows or may have knowledge that the assets he is occupying is the property of other individuals. In such case, all the assets must be seized from the occupant and returned to their owner. The occupant may ask for compensation of damages from the person who has illegally handed the asset over to him, but do not have

the right to lodge a court appeal.

Article 60 : Produce and income generated from illegally occupied assets

The produce or income generated from an asset illegally occupied by an ill intentioned individual will be returned to the owner in totality. In case the concerned person has employed, sold or made other use of the produce or income, he will have to compensate for damages incurred or refund the value of the produce or income to the owner.

The illegal but well intentioned occupant of an asset is not liable to return the produce or income generated by the asset as mentioned in Article 58 of this law.

Article 61 : Improvement of the conditions of illegally held property

Any individual illegally holding a property with good intention is entitled to keep all things improved by him if the share of newly created things do not entail damages or deficiencies to the original condition. If the new improvements may not be separated from the original situation, the illegal holder with good intention has the right to demand compensation for damages on the part he has improved from the owner, but such compensation must not exceed the value of the original asset.

The improved possession under illegal and ill intentioned holding will become the property of the original owner without any compensation as provided in Article 59 of this law.

Article 62 : Court case for the recognition of property

If an individual is requesting the right over other's assets, although the right of possession has not yet been violated, the owner has the right to lodge a court appeal for the recognition of his right of property.

Article 63 : Court case for the termination of barrier or obstacle

If an individual creates barriers or obstacles to the use, usufruct or decision over one's assets, although the right of property has not yet been violated, the owner has the right to lodge a court appeal for the termination of such barriers or obstacles.

Article 64 : Court case demanding compensation for damages

If an individual causes deterioration or damages to another individual's property, the owner has the right to lodge a court appeal for compensation from the person who has caused them.

Article 65 : Court case for the compensation of damages incurred from the use of water streams, ponds or canals

The land tenant whose crops or rice are flooded or water could not be made use of because of obstructed, filled or blocked water streams, ponds or canals has the right to lodge a court appeal asking for the termination of such acts and for the compensation of damages incurred from such acts.

Article 66 : *Court case for the restoration of properties to the owners*

When the owner hands over his property to another individual to take care for, lease or use or the like, and the latter refuses to return the said property to its owner, the owner has the right to lodge a court appeal demanding the restoration of his property. In case the property is damaged or deteriorated because of the holder, the latter must in addition pay compensation for such damages unless otherwise provided in a contract.

Article 67 : *Appropriation of assets without legal basis*

Any individual acquiring a property belonging to others without sound basis must return the said acquired property to its owner.

Article 68 : *Protection of the right of holders of assets belonging to others*

A holder but not the owner of assets, such as the leaser, the attendant, the borrower also has the right to lodge a court appeal as the owner of the property demanding the return of the property and the termination of barriers or obstacles as provided in Article 57 of this law.