



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

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Ministry of Finance

No.0153/MOF

Vientiane Capital, dated 29 January 2009

Finance Ministerial Instruction
on Management of Refund for Security of Duty and Taxes for Temporary Importation

- Pursuant to the Customs Law No. 05/NA, dated 20 May 2005, Article 39
- Pursuant to the Prime Minister's Decree No. 362/PM, dated 19 October 2007, Article 12 and 13;
- Pursuant to the Prime Minister's Decree No. 80/PM, dated 28 February 2007 on the organizational structure and work performance of MOF.

The Minister of Finance issues the instruction:

Article 1. Objective

This instruction provides guidance for implementation of article 39 of the Customs Law No. 05/NA, dated on 20 May 2005 and article 12 and 13 of the Prime Minister's Decree No. 362/PM, dated on 19 October 2007 regarding principles, rules and measures for management of security for customs duty and other taxes imposed for temporary importation; to ensure that the refund management is performed in a concise and uniform manner across the country.

Article 2. Customs Special Account

To facilitate the control, calculation and refunding of the security on duty and taxes for temporary importation, the Customs Department shall propose to the Finance Minister for consideration to open a special account at the commercial bank by establishing a single account to be used for security transactions across the country.

Article 3. Security Management

The security of duty and taxes for temporary importation in accordance with article 12 and 13 of the Prime Minister's Decree No. 362/PM, dated 19 October 2007 shall be managed as follow:

A. Duties of Customs and the Bank:

1. The Customs is responsible for managing and monitoring the special account to ensure that deposit, calculation, refund and summarization of the security are processed in line with applicable regulations.
2. The concerned bank is in charge of managing the special account in accordance with the applicable banking regulations.

B. Duties of Importer:

The importer shall submit a customs detailed declaration for temporary importation, enclose security contract and permits from other agencies concerned and then deposit the security in the form of cash or cheque into the special account. The calculation of refund for a temporary importation under article 13 of the Prime Minister's Decree No. 362/PM, dated October 19, 2007 shall processed after the end of the security contract.

Article 4. Duty and Taxes Management

The duty and taxes for temporary imported vehicles equipped with less than thirty seats which the successful international competitive bidder intends to import for implementation of a development project within a certain period of time in accordance with article 13 of the Prime Minister's Decree No. 362/PM, dated 19 October 2007 shall be managed as follow:

A. Duties of Customs and the Banks:

1. The Customs is responsible for managing and monitoring the special account to ensure that the deposit, calculation, refund and summarization of duty and taxes are processed in line with applicable regulations.
2. The concerned bank is in charge of managing the special account in accordance with the applicable banking regulations.

B. Duties of Importer:

The importer shall submit a customs detailed declaration for temporary importation, enclose a security contract and permits from other agencies concerned and then deposit the security into the customs special account. The calculation for refund shall be processed after the end of the security contract.

Article 5. Calculation for Refund of Security for Duty and Taxes

The importer who has already returned an imported vehicle from Lao PDR and that intends to withdraw the security for duty and taxes shall proceed as follow:

1. After removing the vehicle from Lao PDR, the importer shall submit a withdrawal proposal accompanied by original customs declaration for export, customs security contract, receipt and bank note classification record, to the checkpoint where the vehicle was imported in order for refund to be calculated within twenty-one days as specified in the Table A and B of article 13 of the Prime Minister's Decree No. 362/PM, dated 19 October 2007.
2. After the checkpoint where the vehicle was exported has received the withdrawal proposal sent from the import checkpoint, the refund calculation shall be processed in accordance with Table A and B of Article 13 of the Prime Minister's Decree No. 362/PM, dated 19 October 2007. The concerned checkpoint shall, in writing within seven days excluding public holidays, submit a request for the Director General of the Customs Department for approval on refunding the security and transferring the charged duty and taxes to the revenue account.
3. Having received the proposal from the checkpoint, the Customs Department shall process the payment for the refund within five working days.
4. Having received the withdrawal proposal from the Customs Department, the concerned bank shall process the payment of the refund within five working days.

Article 6. Implementation

The Director General of the Customs Department, the Directors of concerned banks should effectively disseminate this instruction. Concerned division under the Customs Department, Regional Customs, Customs Border Checkpoints, Branches of the concerned banks based in provinces and districts across the country and other relevant agencies shall firmly comply with this instruction.

Article 7. Effectiveness

This instruction shall become effective from the date of signing. Any instructions and regulation that contradict the above provision shall be annulled.

**Minister of Finance
Somdy DUANGDY**