



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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Ministry of Commerce and Tourism

No. 0807/MCT

Provision on
The Implementation and Administration of the Lao-Viet Border Markets

- Pursuant to the Rules, Regulations and relevant Laws of Lao PDR
- Pursuant to the Cooperation Agreement on Economic, Cultural, Scientific Techniques and the Trade Agreement between Ministry of Commerce and Tourism of Lao PDR and the Ministry of Commerce of Viet Nam, signed in March 1998;
- Pursuant to the Decree N. 24/PM, dated 24/03/99, on the Organization and Activities of the Ministry of Commerce and Tourism.

The Minister of Commerce and Tourism decides:

Chapter I

General Provision

Article I: Objective

This Provision sets the organization and administration of the Lao-Viet border markets, aiming at regulating the flows of goods along the borders in a systematic way, promoting the production [of goods], increasingly and strongly contributing to the economic growth and the special relationship between Lao-Viet people.

Article II: Border markets

Border markets are areas [spaces] that are allowed to be set up at the border in order to conduct selling or buying activities, exchange goods / products between people and relevant business units of the two countries – Laos and Viet Nam; and authorized organizations to establish border markets are assigned under this Provision.

The range of border markets may cover the area of some villages or any suitable areas authorized in accordance with the conditions of each place.

Article III: Scope of application

This Provision applies only to the areas of border markets of Lao PDR sharing a border with a Viet Nam border.

Chapter II

Conditions and Rules of Activities of Border Markets

Article IV: The principles of implementation

All implementation [activities] in the Lao-Viet border markets shall follow the rules, regulations and relevant laws of Lao PDR, including conditions under this Provision and legislations related to the organization, administration and activities of Viet Nam regarding the Lao-Viet border markets.

Article V: Conditions [criteria] for Lao people

Persons who can conduct buying or selling business, exchange of goods / products in the Lao-Viet border markets (for Lao people) include Lao people living around the [Lao-Viet] borders and business units, individuals or entities. In this regard, the business units shall:

- Have import and export business license, wholesale and retail licenses or other authorized business licenses to do business in each border market;
- Have permission from the Commerce and Tourism District Office and have been allocated an area [space] by the Border Market Management [Administration] Committee in each market;

The Commerce and Tourism Provincial Department shall coordinate with local authorities such as province, district and other relevant agencies to determine which areas and Lao people are considered as “Lao people living along the border area” within their authority taking into account the actual situation of each area.

Article VI: Conditions for Viet Nam people

Persons who can conduct buying or selling business, exchange goods / products in the Lao-Viet border markets (for Viet Nam people) include Lao people living around the [Lao-Viet] borders and business units, individuals or entities. In this regard, the business units shall:

- Request a business license as normal practice in the Lao-Viet Border Market in accordance with the application form with the commitment that they will follow this Decision on border markets as well as other rules and relevant laws of Lao PDR and Viet Nam. The term “normal practice” means mainly that a business unit should have a permit for the shop to sell their products;
- Have the certification from the Viet Nam local authority;
- Have a permission from the Commerce and Tourism District Office and have been allocated an area [space] by the Lao Border Market Management [Administration] Committee in each market;

Article VII: Rights and duties of vendors in the [border] market

Vendors, individuals or legal entities conducting buying or selling business, exchange of goods / products in the Lao-Viet border markets, as stipulated in Article V and VI of this Provision, shall have the following rights:

- To have their trading rights protected in full accordance with the legislation;
- To be assisted, advised on doing business at the [border] markets;
- To request the Border Market Management Committee and the relevant Public Administration to settle any disputes in relation to them;
- To implement the relevant rules and regulations, laws including this Decision, mainly to implement tariffs and tax obligations;
- To keep the place clean, secure and implement other rules of the Border Market Management Committee.

Article VIII: Permitted Goods [products] to sell and buy

Goods [products] permitted to be sold and bought at the Lao – Viet border markets are all kinds allowed to be distributed in the domestic market of Lao PDR; except some goods [products] subject to laws and regulations that specify different requirements. The Lao Government promotes the selling, buying and exchanging goods / products between the people of the two countries at the border markets with respect to those produced in Lao PDR and Viet Nam with supporting activities and measures in each period.

Article IX: Permitted Currency

All transactions within the Lao-Viet border markets shall mainly use Lao “Kips” and Viet Nam “Dong” only.

Article X: Tariffs for Lao and Viet Nam [products] people

Goods sold, bought or exchanged at Lao-Viet border markets that are domestically produced in Lao PDR or Viet Nam and that are necessary to the daily lives of people, with value of not more than 300.000 kip/per person/day, shall be exempted from tariffs. In the case that the specific unit is used to measure some agricultural or handicraft products or non-timber forestry products which cannot be physically separated with value more than 300.000 kips (such as an animal, one piece of material), these products shall also be exempt from tariffs. This threshold amount will be adjusted in accordance with the actual situation of each period.

In addition to the criteria mentioned above [in this Article], the import and export of goods through the border market with value of more than 300.000 kips shall be subject to import and export tariffs in accordance with the relevant laws and regulations.

Goods / products from a third country distributed in the Lao-Viet border markets shall be subject to tariffs in accordance with the regulations and laws of Lao PDR.

Article XI: Tariffs and tax for Lao and Viet Nam business unit

All Lao and Viet Nam business units, whether individuals or legal entities, that are permitted to do business at Lao-Viet border market areas or markets along Viet-Lao border, are subject to pay tariffs and tax in accordance with the regulations and laws of two countries.

Chapter III

The Organization and Administration of Border Market

Article XII: The Organization of border markets

The establishment and termination of a border market shall be agreed and approved by the Provincial Governor, based on the District Governor’s proposal and the Head of the Commerce and Tourism Provincial Department according to the actual conditions and situation of each location.

After the border market establishment has been approved, the Commerce and Tourism Provincial Department shall take the leading role in coordinating with the Finance Provincial Department and other relevant agencies in order to assist the Governor of the District where the market will be established, to organize and manage effectively the market in accordance with regulations and laws.

Article XIII: The border market management committee

The organizational structure to administrate the border market, hereby called: “The Border Market Management Committee”, will be decided by the Provincial Governor, based on the District Governor’s proposal and the Head of the Commerce and Tourism Provincial Department.

The Commerce and Tourism Provincial Department shall coordinate with the Finance and other relevant agencies to determine the rights, duties and responsibilities of the Border Market Management Committee, as well as the detailed rules of market management in order to propose to the Provincial Governor their approval and adoption in accordance with the actual situation of each location.

The rules on border market management by the Provincial Governor should be agreed with the relevant agencies of Viet Nam prior to being adopted. After adoption, the rules should be published in both Lao and English in order to inform parties concerned with the border market to implement them.

Chapter IV

Final Provision

Article XIV: Implementation

The Commerce and Tourism Provincial Department, where there is a shared border with Viet Nam, shall implement the following provisions:

- Coordinate with the local authority and relevant agencies, particularly the Finance Provincial Department and all responsible staff at the border to determine the market place to be established in each period and to inform the local authority and other relevant agencies of Viet Nam and coordinate to implement the management of the Lao-Viet / Viet-Lao border market for effective good operation.
- Take a leading role in coordinating in detail with the Finance Provincial Department to agree on the supervision, management and implementation in of the border market with the Commerce and Tourism District Office, the Finance District Office and the Border Market Management Committee in relation to the activities and the business – selling and buying, customs clearance, tax and tariffs exemption, permission of doing business at the border market, documentation or filling forms or tables; mainly these following documents (Annex A, B,C and D) as attached.
- To report on the market situation, information / data on selling and buying at the border market to the Ministry of Commerce and Provincial Governor quarterly.

Article XV: Effectiveness

This Provision enters into force from the date of signature.

Vientiane, dated 02 September 1999

**Minister of Commerce and Tourism
Phoumy Thipphavone**