



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Prime Minister

No 331/PM

Vientiane Capital, dated 27 October 2017

DECREE ON
PETROLEUM BUSINESS

- Whereas, the law on government ref.no. 04/NA, Date 08 Nov 2016;
- Whereas, the law on Enterprise ref.no. 46/NA, Date 26 December 2013;
- Whereas, the Law on protection of consumer ref.no. 02/NA, Date 30 June 2010;
- Whereas, the request letter from minister of industry and commerce ref.no 1336/MOIC.DC, Date 16 July 2017.

Prime minister issued a decree as follow:

Chapter I
General Provision

Article 1. Objective

This decree defines the principle, regulation and standard of executed and monitoring the petroleum business in Lao PDR to enable business operation is under regulation and corresponding to the law which aims to protect the right and benefit of the public, business operator and consumer that ensures for the contribution to national social-economic development.

Article 2. Petroleum Business

Petroleum business means to operate to import, export, produce, petrol refining, distribute, gas station and petrol service.

Article 3. Definition of Terminology

The meaning of the words that includes in this decree as follows:

1. **Petroleum** means to petrol production such as gasoline, diesel, aviated petrol, biogas and other type fuel according to definition of petrol regulated authority;
2. **Unsystematic petroleum** means to illegal fuel and imported raw petroleum, petrol product, refine or distribute that is not permitted or illegal import and it's not used as its purpose, not commit its obligation or non-custom declaration or incompetent of tax;
3. **Gas station** that's owned by Petrol Company means to retail gas station to distribute domestically, which is invested and operated by Petrol Company to give a service as retail and registered as a retails gas station;

4. **Representative gas station** means to retail gas station which is individual and legal entity who is representative for any petrol company who hold business registered as a retail gas station;

5. **The client** for import and export Petrol Company means to a person who is buyer of that petroleum Company which may be concessive project or investing project that's granted by government or domestic companies who enter into purchasing contract; A customer of domestic petrol distributor means to fuel buyer from distributor within country who may include general project, construction company, transportation company who are entering sell-buy agreement which is excluded concessive or investing project who were approved by government;

6. **Fuel depot (Petrol warehouse)** means to infrastructure to reserve fuel both above and underneath surface that may in form of fuel tank, fuel receiving system, fuel distributing system, security system and environment preserve accord to technical standard;

7. **Trademark** mean to banner or Logo of any petrol company which is registered as trademark from relevant sector;

8. **World market price** of petroleum is a current price of fuel that are buying – selling in world market it is a reference to ministry of industry and commerce to set out the price for wholesale and retail within country and applicable.

Article 4. Basic principle of petroleum business operation

Petroleum business operation must comply on basic principle as follows:

1. Correspondence to policy and law;
2. Manageable and regulated price that accords to market price of petroleum by government;
3. Manageable and regulated petroleum business must appropriate to social-economic development in each period;
4. To protect right and benefit of state, petroleum business operator and consumer;
5. Correspondence and responds to the demand of national social-economic development;
6. Ensuring to supply the petroleum accords to the demand of national strategic plan on energy
7. to stabilize the national economic, social security and preserve environment;
8. Comply with treaty and international rule where Lao PDR is parties.

Article 5. Applicable

This decree is applicable to individual, legal entity and both domestic and international organization who are petroleum business operation in Lao PDR except producing and refining petroleum.

Chapter II
Establishment and operation of petroleum business
Part 1
Petroleum Business establishment

Article 6. Procedure of establish and operate the petroleum business

Establishment and operation of petroleum business must proceed as follows:

1. Require to apply for business registration;
2. Environment Monitoring Report (EMR) and social impact except to shipment service and petrol transportation service;
3. Request to construct or build the gas station except to shipment service and petrol transit service;
4. Apply for business license.

Article 7 Term and condition for petroleum business registration

Individual, legal entity both national and international company who intent to run petroleum business must establish the company to operate merely under corresponding of the law. Establish the petroleum company must meet with condition as below respectively:

1. Registered Capital:

- Import and Export of petroleum company must have at least one hundred fifty billion (150.000.000.000) Lao Kip or above as registered capital, within that need to have working capital at least sixty billion (60.000.000.000) Lao kip or above;
- Domestic distributor company must have at least fifty billions (50.000.000.000) Lao kip or above for registered capital, and working capital at least five billions (5.000.000.000) Lao kip or above;
- Gas station need to have one billion (1.000.000.000) Lao kip or above for self-investment company, there must have working capital at least three hundred millions (300.000.000) Lao kip or above for representative gas station;
- Petroleum Depot service company need to have two billions (2.000.000.000) Lao kip as registered capital or above, working capital at least five hundred millions (500.000.000) Lao kip or above;
- Vehicle rental for petrol transporting company must have twenty billions (20.000.000.000) Lao kip or above, need to have working capital at least two billions (2.000.000.000) Lao kip or above;
- Petroleum transportation company require to have at least thirty billions (30.000.000.000) Lao kip or above; need to have working capital three billions (3.000.0000.000) Lao kip or above;

2. **Fuel Depot (warehouse)** location must be located way from community, school, hospital, market, away from water source within one thousand meters (1.000) in radius or above and

there is enough space to create petrol depot where can be able to contain as follows :

- Import and Export of petroleum company have five millions(5.000.000) liters or above;
- Domestic distributor company have one million(1.000.000) liters or above;
- Petroleum Depot rental service have five hundred (500.000) liters or above;

3. Gas station

3.1. Gas station must locates away from community, school, hospital, market, water source, curve road, intersection and incline one hundred(100) meters or above and also away from existing gas station at least one thousand (1.000) meters or above as the same direction and it is not preserve zone of any type high way or express road;

3.2. the width of gas station along road side need to comply as follows:

- Rural, remote area is at least twenty (20) meters or above;
- Plateaus, plain, outskirts of town is at least thirty (30) meters or above;
- Urban is at least forty (40) meters or above.

Article8 Required Documents for petroleum business registration

Beside the specification of the law on enterprise the petroleum business registration must have referring documents as follows:

1. Import and Export of petroleum company, Domestic distributor company and petrol depot service company:

- 1.1. There is needed economic analysis - technical report as a blue print as petroleum management authority has defined;
- 1.2. Certify letter for petrol depot's location from village authority and ownership certificate of warehouse;
- 1.3. Certificate the location, issued by public work and transport sector.

2. Gas station :

- 2.1. Economic analysis-technique report
- 2.2. Business registration certificate, establish and assignment letter for gas station for self-investment;
- 2.3. Approval letter as representative and contract of sell-buy for representative gas station;
- 2.4. Certificate the location, issued by public work and transport sector.

Article 9 Consideration of petroleum business registration

Apply for petroleum business registration need to comply as specified in the law on investment promotion, the law on enterprise and relevant law.

Chapter 2

Business operation on import and export of petroleum

Article 10 Import and Export of Petroleum Company

Import and Export of petroleum is operation of company on importing to distribute domestically, export, import for transit to next port or border transit.

Article 11 Request process of business license of Import-export of Petroleum Company

After, Obtain the business registration certificate, received the Initiative Environmental Examination (IEE) certificate, construction permit of petrol depot (Petrol terminal) and other relevant conditions as specify in **article 14** of this decree, then to submit to ministry of industry and commerce to request for business license on import and export of petroleum company as per define in article 12 of this decree, subsequently, they acquire for approving before process the business operation.

Article 12. Documentation of requesting for business license of import and export of petroleum company

The application for import and export of business license must combine as following documents:

1. Application form to apply for business license for import and export of petroleum company defined by the Ministry of Industry and Commerce;
2. Business registration certificate;
3. The taxpayer identification number certificate;
4. Construction certificate of petrol depot;
5. Environmental and Social Impact Certificates on petroleum depot;
6. Safety inspection certificate of Petrol depot;
7. Certificates of training on petroleum Business management, issued by Lao petroleum management Authority;
8. Certificates of Representative or Fuel Purchase-Selling Contract from any foreign brand;
9. The certificate of membership for fuel Association in Lao PDR;
10. Business account in local bank in Lao PDR;
11. The Company's asset List which includes: inventory of petrol in depot, the list of fuel transportation vehicles, Audit account petrol quality.

Article 13 Issue of business license on import and export of petroleum company

After well received of the complete set of all documents as specify in **Article 12** of this Decree, the Ministry of Industry and Commerce shall coordinate with the relevant sectors within five business days from the date of receive the document.

If the application and documents are inaccurate and incomplete, they must inform as a written to applicants within five official working days from the date of receive of the document so that the applicants may revise and complete accordingly.

In case that cannot be able to issue the certificate the applicant must be notified in writing within 5 working days from the date of received the document.

If documents are accurated and completed, the Ministry of Industry and Commerce must issue a business license to importing and exporting of petroleum company within thirty days from the date of received the document.

The certificate for business operation for Import and Export petroleum Company it's valid for three years and renewable.

Article 14 Business operation's condition of import and export of petroleum company

Business operation of import and export of petroleum company must comply as follow condition :

1. There is business operation license for import and export of petroleum;
2. invest and pool the capital as business registration's capital as specify in bullet 1 of **article 7** of this decree;
3. Hold the bank account legally;
4. There is an account in local bank in Lao PDR, and make a payment through bank transfer;
5. There are reserve feul in emergency at least for twenty one days as average amount of last year through the supplying to domestic companies to distribute to their clients;
6. Can be able to import the petroleum more than twenty hundred thousand (200.000.000.000) litters or above / year;
7. There is own brand as per register to be their trademark;
8. They need to have their own petrol terminal as per spefied in bullet 2 in article 7 of this decree;
9. They need to have their own vehicles for transport the petrol belongs to company or company group at least 20 trank trucks, each trucks required to meet technical speculation, license and trough inspection from revelant sectors, must have logo and color that is symbolize to company;
10. There are representative who are domestic distributor of petrol companies;
11. There is a labotary room which is licensed by ministry of Science and Technology;
12. There are required to have serveral personels who had well trained throughLao petroleum business management authority;
13. There is insurance coresponds to the law on insurance.

For import and export of petroleum company is established and business operation before this decree they needs to adjust and adapt accords to this article within one year since this decree is effected. If there is not able to improve that must be paused or transform into other petrol business.

Article 15 Importation of petroleum

Importation of petroleum that must be operated by import and export of petroleum company who was established legally and hold business license meet with conditions that was specified in this decree, and other relevant license as an importer, each importation need to have

certificate the source of goods from original port it's met with national standard for importation, import through international check point and hired petrol depot of their company or their client's company;

Fuel imports must be correspondence with annual scheme which is approved by the Ministry of Industry and Commerce;

Importing fuel to serve an exemption program, tax and other obligations must be in accordance with the law, which has been approved by the National Assembly on a regular basis by the Government;

Importation of petroleum for use in granted project which is exempted import duty, taxed and other obligation must correspondence to the law under approval from National assembly as per government's request.

Article 16 Planning import and distribute of fuel annually

Import and export of petroleum company need to plan for import and distribute the petrol annually by approving by fuel association, and submit to ministry of industry and commerce before 31st October of every year for consideration.

In case the import and export of petroleum company need to import fuel exceed the approved plan, additional plans need to be made, explaining clearly the reasons, approving by the fuel Association and submit to the Ministry of Industry and Commerce prior the import date within 60 days for consideration.

Annual Plan for Import and distribute of any import and export of petroleum company can not be able to transfer to another company.

Article 17 Exportation of Fuel

Exportation of fuels need to have a original certificate, meet with national standards, allowed to be exported through international checkpoint, The procedure of permit to export fuel there is separate specific regulations.

Article 18 Transition of petrol via the border

Transit petrol via the border ,

Transit fuel via border that means to transit the fuel any cross-country or transit cross the Lao PDR via the border to transit the fuel to third country without keep in petrol depot or transfer in Lao PDR.

Transit fuel via border must comply with the following conditions:

1. Processed by business operators of petrol transportation services via intercountry and border;
2. There is a contracts for transport services, purchase & sell contracts from original port and end port;
3. Approved by the Ministry of Industry and Commerce

4. Transit through merely international checkpoint for in-out port
5. Complete in amount and condition as patrol by officer from commerce and the Financial Sectors;
6. Pay transit fee as specify in relevant regulations

Chapter 3

Business operation of petroleum Company for domestic distribution

Article 19 Petroleum Company for domestic distribution

The petroleum company for domestic distribution is local retail company who purchase of fuel from an import and export of petroleum company, fuel driller and refining oil , in purpose of distribute the fuel to their customers.

Article 20 Apply for business license for domestic distribution

After obtained a certificate of business registration, Examination Social Environment Initiative certicate of construction of Petroleum Depot, and meet with all stipulation as mentioned in article 23 of this decree, to submit to ministry of industry and commerce to for business license for petroleum compnay for domestic distribution, subsequently they can operate the business.

Article 21 Documents for applying the business license for domestic company

The request for business license of a local operating company must consist of documents as specfiy in **Article 12** of this Decree and exceptional in bullet 8 of this Article.

Article 22 Issuance of Business license for petroleum company as local distributor

The issuance of business license for petroleum company who is domestic distributor that's need to comply as the same as the issuance of a business license for import and export of petroleum business as as defined in Article 13 of this Decree.

Article 23 Stipulation of Business Operation of Domestic distributor company

The business activities of the domestic distributor Company must meet with follow condition:

1. Require to have business license for domestic distributor company ;
2. Need to make payment and pool the capital as mention in bullet 1.2 of Article 7 of this Decree;
3. Hold the bank account legally
4. There is a bank account in Lao PDR and the buy – sell of petrol is needed to make transaction through the bank;
5. There is a contract of buy – sell with import and export of peptroleum company, or oil driller and / or petrol manufacturer and refining.
6. There are reserved petrol in emergency case at least it's enough 10 days, based on the average amount of petrol which are annual supplying to gas station and their customer;
7. Can be able to distribute at least fifty million (50,000,000) litters per year
8. There is own brand or trademark of their own company accord to the law;

9. There is petrol terminal and attach their logo, capable to contain fuel as specified in bullet 2 of Article 7 of this Decree;
10. There are at least 10 fuel trucks belongs to their own company or their company group, each vehicle must be technically qualified, registered and inspected through relevant sector, must have a logo and color of their own company or import and export of petroleum company;
11. There is gas station from their own investment and representative gas station who was approved by Lao petroleum authority;
12. There is petroleum testing instrument and octane meter for quality of fuel, defined by the Ministry of Science and Technology;
13. There are several personnel who are obtained training from Lao petroleum authority;
14. There are Insurance under the Insurance law;

Chapter 4

Movement of gas station

Article 24 Gas station

Gas station is a business firm who are distributing as a retail to consumer directly which is gas station from their own investment and representative gas station.

Article 25 Apply for business license for gas station

After obtained a certificate of business registration, Examination Social Environment Initiative certificate of construction of gas station correctly, and meet with all stipulation as mentioned in article 28 of this decree, then submit to ministry of industry and commerce for issue the business license for gas station operation, after they obtain the business license then they can run the business.

Article 26 Documents for applying the business license for gas station

The document consist in application to apply for business license of gas station must be a follows:

1. Application form, defined by the Ministry of Industry and Commerce;
2. Business registration certificate;
3. The taxpayer identification number certificate;
4. Temporary Construction certificate and construction certificate;
5. Environmental and Social Impact Certificates for gas station;
6. Safety inspection on fire certificate of gas station;
7. Asset inventory of gas station,
8. financial statement, approved by bank;
9. The business registration of Import – Export of petroleum or domestic distributor company, agreement on established and assignment for gas station for self investment;
10. Certificate on presentative or purchase– sell as a presentative gas station;

11. Business account at local bank in Lao PDR.

Article 27 Issuance of Business license for gas station

After well received of the complete set of all documents as specify in **Article 26** of this Decree, the Ministry of Industry and Commerce must process within five working days from the date of receive the document with coordinating relevant sectors.

If the application and documents are inaccurate and incomplete, they must inform to applicant in a written within five working days so that the applicants may revise and complete accordingly.

In case that is not allow need to notify the reason to applicant in written within 15 official days from the date of receiving document.

If all documents are accurated and completed, the Ministry of Industry and Commerce must issue a business license to gas station within fifteen official days from the date of received the document.

The business license it's valid for two years and renewable.

Article 28 condition of gas station operation

Business operation of gas station must comply as follow condition :

1. There is business license for gas station;
2. Make invest accord business registration, mentioned in bullet 1.3 of article 7 of this decree;
3. There is inventory received and distribute the fuel daily;
4. There is system to trackle the distribute of fuel;
5. There is logo company as their representative;
6. There is an account in Lao bank , buy – sell of petrol must be made transfer through bank;
7. Fuel Nozzle holder and octance meter are approved by ministry of scient and technology;
8. There are extinguisher along fuel nozzle with primary extinguished tools;
9. The fuel tank shouldn't containt more than eighty thousands (80.000) liters per gas station;
10. There are facilitated public toilets;
11. If there are other associated services such as minimart, resturant, food and drink shop also needed to separately business register;
12. There is insurance accords to the law on insurance.

For gas station who was established and operation before this decree they needs to improv the condition to met with provision that stated in this decree since the date of effected, If there is not able to improve afterr two year that must be frozen the service and retrieved the business licens.

Chapter 5

The movement of petroleum business service company

Article 29 Petrol business service company

The petroleum business service company is a business firm who gives service such as petrol depot, transporting vehicle, transportation.

Article 30 Apply for business license for company service the Petrol Depot

After obtained a certificate of business registration, Examination Social Environment Initiative certificate, construction of petrol depot correctly, and meet with all stipulation as mentioned in article 33 of this decree, then submit to ministry of industry and commerce for issue the business license for petrol depot to give service, after they obtain the business license then they can run the business for petrol depot service.

Article 31 Documentation for business license of petrol depot service company

The document are consisted to request for business license of petrol depot service must comply as stipulation in **article 12** of this decree except bullet 7 and 8, to bullet 11 particular specific for petrol depot service

Article 32 Issuance of Business license for petrol depot service company

After well received of the complete set of all documents as specify in **Article 31** of this Decree, the Ministry of Industry and Commerce must process within five working days from the date of receive the document by coordinate to relevant sectors.

If the application and documents are inaccurate and incomplete, they must inform to applicant in written within five working days so that the applicants may revise and complete accordingly.

In case that is not allow need to notify the reason to applicant in written within 15 official days from the date of receiving document.

If all documents are accurated and completed, the Ministry of Industry and Commerce must issue a business license to gas station within twenty official days from the date of received the document.

The business license it's valid for three years and renewable.

Article 33 Stipulation of petrol deport service operation

the operation of petrol depot service need to comply the condition as follow:

1. There is business license for petrol depot service company;
2. Make investment and pool capital accord business registration, mentioned in bullet 1.4 of **Article 7** of this decree;
3. Hold bank account legally;

4. There are own fuel tank technically correction can be able to contain more than five hundred thousands (500.000) liters or above;
5. A personel obtained training by Lao petroleum authority per a petrol depot
6. There is insurance accords to the law on insurance.

Article 34 Issuance of Business license for petrol transportation service company

After well received certificate of business regitrtion and other stipulation accord to public work and transportation and relavant sector's definition then submit application to the Ministry of public work and transportation to process for business license, After obtain such a certification then can be able to operate the business.

Article 35 Apply for business license for petrol transportation service company

After obtained a certificate of business registration and other stipulation accord to public work and transportation and relavant sector's definition then submit application to the Ministry of public work and transportation to issue the business license for petrol transportation service company after obtain such a certification then can operate the business.

Part III

Right and obligation of petroleum business operator

Chapter 1

Right and obligation of import and export of petroleum company

Article 36 Right of import and export of petroleum company

Import– export of petroleum company has right as follows

1. Import-export of fuel to supply to Domestic distributor company and their customer ;
2. Purchase of petroleum from domestic oil manufacturer and oil refinner;
3. Give service and use service to petroleum business company
4. plan for import and distribute of petrol annually to submit to ministry of industry and commerce under consideration of Lao fuel association.
5. Obtain the training on technique on petrol management
6. Receive necessary information on peptroleum business operation
7. Other rights accord to relavant law.

Article 37 obligation of import and export of petroleum company

Obligation on import and export of petroleum compnay must comply as follow:

1. Hold bank account legally
2. Supply the fuel to domestic distributor company regularly
3. Ensuring the quality and quantity of petroleum that supply to domestic distributor

company and their customer

4. There are reserve fuel in case of emergency as stipulated in bullet 5 of article 14 of this decree
5. Comply with the wholesale's price accord to Lao fuel authority had defined in each period
6. Cooperate with government officers on inspection of business operation
7. Commit to pay the duty, tax and other obligation refers to the law
8. Report about the importation and distribution and reserve fuel in monthly, quarterly and annully to submit to ministry of industry and commerce and ministry finance
9. Commitment to other obligation accord to relavant law.

Chapter 2

Right and obligation of domestic distributor company

Article 38 Right of domestic distributor company

Domestic distributor company has right as follows

1. Purchase the petrol from Import-export of petroleum or oil manufacturer and oil refinner; to supply the fuel to domestic gas station and their client
2. There are gas station as self investment or representative gas station
3. Give service and use service to petroleum business company
4. Issuan the rule to regulate the self invested gas station or representative gas station accord to this decree;
5. Inspect the techniuie and give technical advise to self- invested gas station and representative gas station , enabling to have good the quality and quantity of fuel and good environment
6. plan for distribute of petrol annually to submit to ministry of industry and commerce
7. Obtain the training on technique on petrol management
8. Receive necessary information on peptroleum business operation
9. Other rights accord to relavant law.

Article 39 Obligation of domestic distributor company

Domestic distributor company need to commitment the obligation as follow:

1. There is an account system accord to the law on account
2. supply the fuel to self-invested gas station and representative gas station
3. Ensuring the quality and quantity of petroleum that supply to self-invested gas station and representative gas station
4. There are reserve fuel in case of emergency as stipulated in bullet 6 of article 23 of this decree
5. comply with the price accord to Lao fuel authority had defined and notify to self-invested gas station and representative gas station
6. Cooperate with government officers on inspection of business operation
7. Commit to pay the duty, tax and other obligation refers to the law

8. Report about the distribution and reserve fuel in monthly, quarterly and annually to submit to ministry of industry and commerce and ministry finance
9. Financial summary report annually, approved by state audit or legal audit company to submit to ministry of industry and commerce and ministry finance
10. Commitment to other obligation accord to relevant law.

Chapter 3

Right and obligation of gas station

Article 40 Right of gas station

Gas station has to right as follow :

1. Operate the business accord to the license
2. Receive the supply of fuel from domestic distributor company as their own representative
3. Give service such as car washing, librucante replace and other service accord to allowance from relevant sectors
4. Deny to received unqualified fuel from domestic distributor company or representative
5. Obtain the training on technique on petrol management
6. Other rights accord to relevant law.

Article 41 Obligation of gas station

Gas station need to commit the obligation as follow:

1. There is an account system accord to the law on account
2. Distribute good quality and ensuring quantity of petroleum that is met with standard as relevant had defined
3. Put the banner to show the retail price of petrol to where is able visible from 100 meters of its distance
4. Show the retail price at the petrol pumper as adjusted price in each period
5. Distribute the fuel as the price that lao fuel authority has defined
6. Notify to fuel authorize office in district or provincail to acknowledge in case of shut down or temporary quit of the gas station
7. There are reserve fuel at least three day accord to average distribution of year ago
8. Cooperate with government officers , and domestic distributor company that's needed to provide the information for inspection of business operation
9. Commit to pay the duty, tax and other obligation refers to the law
10. Commitment to other obligation accord to relevant law.

Chapter 4

Right and obligation of petroleum service company

Article 42 Right of petroleum service company

Petroleum service company has rights as follow:

1. Operate the business accord to the licens
2. Obtain the training on technique and receive the information on petroluem business
3. Other rights accord to relavant law.

Article 43 Obligation of petroleum service company

Petroleum service company require to commit the obligation as follow:

1. There is an account accords to the law on account
2. Need to submit the contract of purchase –sell of petrol, hire the fuel depot,vehicle rental or transport contract to public work and transportation sector to acknowledge
3. Create controlling system on petrol depot, provide transporting vehicle effectively
4. There is safety system and preserve the environment
5. Cooperate with government officers on inspection of their business operation
6. Commit to pay the duty, tax and other obligation as pecific in the law
7. Commitment to other obligation accord to relavant law.

Part IV

Petroleum Price Management

Article 44 Principles are component of petrol price

Definition on the component of fuel must comply with follow price as below:

1. Market Mechanism that's regulated by state
2. Comply with government policy on regulate petrol's orice in each period
3. Government define the fuel price structure accord to the requested by ministry of industry and commerce by collaboration with ministry of finance and Lao fuel association

Article 45 Definition of Petrol price

The definition of petrol price must implement as follow principle :

1. Price structure of petrol price from government in each period
2. World market price of petroleum in each period
3. Actual Imported price of petrol (CIF)
4. Average price of reference price within fifteen days that fuel price is unsteable

Article 46 Ministry of industry and commerce to take a lead to collaborate with ministry of finance, Lao fuel association to study and define increase or decrease in ratio 5% or above to

submit to government to consider the price within 5 days after received the request from ministry of industry and commerce .

Article 47 Assessment of quantity of the fuel prior adjust the price

Before adjust the price of petrol up or down each time petroleum business operator must inform their volume of fuel to financial and commerce sectors 3 days prior after ministry of finance, ministry of industry and commerce and relevant sectors collaborate with petrol entrepreneur to recheck the volume of fuel in fuel depot and gas station to calculate the taxes.

Article 48 Notification for price adjustment of fuel

Ministry of Industry and Commerce shall inform to ministry of finance to acknowledge of price adjustment to prepare to collect the duty , taxes and other obligation accords to price structure that's new adjusted price and disseminate to society to acknowledge and indicate the reason of adjustment, reference price as business operation accord to its principle.

Ministry of Industry and Commerce must inform price adjustment and indicate the reason of adjustment, reference price and petroleum business operator to acknowledge 3 days prior adjusted price and also announce to society to acknowledge 1 day before implementation of new adjusted price

Fuel association must comply with new adjusted price of import and export of petroleum company and domestic distributor company refers to notification of ministry of industry and commerce

Import and export of petroleum company shall notify to their customer then domestic distributor company must inform to gas station also monitor the implementation of new adjusted price of fuel

Gas station must make announcement to consumer about adjusted price of fuel each adjustment.

Part V Petrol Fund

Article 49 Petrol funds

Petrol fund is the government fund establishes to keep stabilize the petrol price status, enabling the supply of petroleum to society and a source of fund to regulate the petrol price within the country

Petrol fund is defined separately in regulation base up on the agreed by lao government in each period of time.

Petroleum business operator who responsible to delivery the money into the petrol fund accord to price structure where government has defined in period of time.

Article 50 Management and usage of petrol fund

Ministry of industry and commerce who take lead to manage and use of petrol fund accord to the rule of petrol fund which is corresponding to the law

Part VI Lao Fuel Association

Article 51 Lao Fuel Association

Fuel association is a social organization it is non-profit organization which established by altogether petroleum businesses firm such as import and export of petroleum company, Domestic distributor company, Petrol depot service, Fuel transporting vehicle rental service, this organization is playing role to collaborate with lao petroleum authority to give an assistance, an advise, instructions, to protect the right and juristic benefit of member.

The fuel business firm must be a member of the lao fuel Association.

Article 52 Right and responsibility of Lao fuel association

Lao fuel association has right and responsibility as follows:

1. Research and send proposal about the create and improve the legislation, regulation to Lao petrol authority
2. Dissemination of legislation and information on the fuel business for members
3. Verify the annual import and distribution plan of the import and export of petroleum before submitting to the Ministry of Industry and Commerce for consideration.
4. Receive innewsletter from Lao fuel Association's members and the Lao petrol authority
5. Bridging between member and Lao petroleum authority
6. Follow up the movement of member correspondence and comply with the law
7. To arbitrate the dispute among members
8. Recognise and praise to outstanding members in business operation and contribute to social development
9. Report importation and Distribution of petroleum annually to the Ministry of Industry and Commerce and the Ministry of Finance
10. Use other rights and responsibility accord to the law

Article 53 The role and movement of Lao fuel association

The structure and movement of the Lao fuel association has be defined in association's rule issued by commerce chamber coucile and industry of ministry of industry and commerce.

Part VII

Prohibit

Article 54 General prohibits

No allow to individual, legal entity and orgationization to behave as follows:

1. Create implediment to government officer to process on administrate petroleum business
2. Operate the petroleum business without the license
3. Transfer the fuel against this decree and relevant law
4. Help the violator
5. To be intermediary to offer the bribes
6. There are any behavior to violate the law

Article 55 Prohibits for import and export of petroleum company

Not allow to import and export of petroleum company has behavoir as follow

1. Import and supply unqualified fuel as national standard
2. Reserse the fuel to make more profit or create situation to the market
3. Supply the fuel to gas station
4. Assign the right to domestic distributor company or any individual to import the petroleum
5. Allow other to use the business registration certificate and business license of impor and export of petroleum company to other person to use it
6. Import and supply the fuel without hiring petrol depot
7. Impot the fuel without permission or import or use illegally from target
8. Import the petrol without tax or other obligation
9. There is any behavoir to violate the law

Aricle 56 Prohibits for Domestic distributor company

Not allow to domestic distributor company has behavoir as follows :

1. Import the petrol by themselves
2. Supply the unqualified fuel as national standard
3. Reserse the fuel to make more profit or create situation to the market

4. Supply the petrol to gas station and representative gas station who are not their network
5. Deny to supply the fuel to their representative gas station unreasonable
6. Allow other to use the business registration certificate and business license of import and export of petroleum company to other person to use it
7. There is any behavior to violate the law

Article 57 prohibit for gas station

Not allow gas station has behavior as follow:

1. Not allow to distribute unqualified fuel as national standard
2. Not allow to stop the service temporary or permanent without inform to the district office of industry and commerce, capital, and consumer to acknowledge prior 3 days
3. Not allow to sell the fuel different price other regulated price by lao fuel association in each period
4. Not allow to receive or sell the petrol of domestic distributor who are not their network
5. Allow other to use the business registration certificate and business license of import and export of petroleum company to other person to use it
6. Not allow to have their own fuel transport vehicle
7. There is any behavior to violate the law

Article 58 prohibit for petroleum service company

Not allow petroleum service company has behavior as follow:

1. Not allow to give service to any petroleum company without sign the contract
2. Not allow to contain the fuel more than capacity of petrol depot or vehicle as specific in the law
3. Not allow to transfer the fuel in other place which is not allowed location
4. Not allow to import and distribute the fuel by themselves
5. Allow other to use the business registration certificate and business license of import and export of petroleum company to other person to use it
6. There is any behavior to violate the law

Article 59 prohibit for government office and employee

Not allow officer and employee have behavior as follow:

1. Not allow officer or employee use their position to take advantage to earn their own benefit
2. Force, threaten, violence to petroleum business operator
3. To delay or take time consuming to considerate the documentation process
4. Not allow to irresponsible, defect the truth
5. Hidden, protect and collaborate with violator
6. Not allow to adjust the content or use counterfeit document, disclose the secrecy of business without the agreed by business operator,

7. Not allow to issue business license to petrol business operator against stipulation and procedure;
8. There is any behaviour to violate the law

Part VIII

Arbiration of the disputation

Article 60 Disputative character

The arbiration of the disput on petroleum business can be process at any form as follows :

1. Compromination
2. Resolve the dispute by administration coucile
3. Resolution through jourist organization on economic conflict
4. Internation arbiration

Article 61 Compromination

In case of there are dispute among petroleum business both parties need to discuss and compromise base on win and win principle

Both parties can compromise to on the violator on the right and benefit of petroleum business operation, by compromise shall base on the agreement as define in the law on committion in and out contract

Article 62 Resolve the dispute by administration council

In case of there are dispute amng petroleum business operator both side can be able to request to authority to process the resoluton of the contradiction.

Both parties can request to Lao petroleum authority to process the resolve the confliction of petroleum business accord to the relevant law.

Article 63 Economic conflict and resolution organization

In case of there is a dispute on petroleum business both parties can request to economic conflict and resolution organization to process on resolution accords to the law on economic conflict.

Article 64 Appeals to people court

In case , there is a conflict on petroluem business both parties can appeal to people court to process the arbiration coresponds to the law.

Article 65 Resolution of conflict internationally

In case of there is a conflict on petroleum business as internal involle that to comply with the international convention that Lao PDR is membership party.

Part IX

Management and Inspection

Chapter 1

Management of petroleum business

Article 66 Petroleum business Administration

Government has regulate the petroleum business centrally and unanimously across the country to assign for ministry of Industry and commerce who is responsible directly and coordinating with the Ministry of Public Works and Transport , Ministry of Natural resources and Environment, the Ministry of public Security, Ministry of Science and Technology, Ministry of Finance, Ministry of Energy and Mines , and the Equivalent , and also The relevant local authorities.

Article 67 Right and Responsibility of Industry and Commerce sector

The regulation of petroleum business by industry and commerce sector has right and responsibility as follow:

1. Research and Create the policy submit to high level to approval
2. Dissemination of legislation and information on the fuel business to society to acknowledge
3. Considerate on issue the business registration certificate , given order to temporary or permanent cease for petroleum business operation on import-export of fuel , distribution, petrol depot service and assign the role of regulated level
4. To accept the the annual import and distribution plan
5. To collaborate with energy and mine sector to research and issue the regulation on the oil refiners
6. To coordinate with relevant sector to study and submit to government on the regulation and executive of the petroleum business, ensure that's correspondence to the social development in each period of time;
7. Study about the petrol price, collaborate with ministry of finance and other sectors to make announcement to society to acknowledge of each change
8. To follow up, inspect collaborate with finance sectors to regulate the exempted amount of petroleum
9. To track the reserved quantity of petroleum business operator has reserve, ensure that is enough for thirty days in emergency case
10. Training and issue certificate on petroleum management course
11. Receive and considerate the request from petroleum operator
12. To lead the lao fuel association on regular movement
13. Report on implementation and business operation of petroleum business to high level regulatory
14. Coordinate with other relevant sectors about the petroleum business
15. Use other rights and responsibility accord to the law

Article 68 Right and Responsibility of Ministry of Public Work and Transportation

The regulation of petrol business by ministry of public work and Transportation

1. Research and Create the policy to regulate on the construction of gas station and petrol transportation and transporting vehicle to submit to high level to consider
2. Dissemination of legislation and the law on the construction of gas station and petrol transportation to society to acknowledge
3. Considerate on issue the business license , given order to temporary or permanent cease for petroleum business operation on gas station and fuel transport
4. To regulate and inspect to the construction of gas station and other operation are connected to petroleum business service
5. To consider to allow the construction of gas station , to issue, suspend the business license on fuel transport vehicle and petrol transport service
6. To inspect the mechanism of fuel transport vehicle
7. Coordinate with other relevant sectors about the petroleum business
8. Use other rights and responsibility accord to the law

Article 69 Right and Responsibility of Ministry of Natural resource and environment

The regulation of petrol business by ministry of public work and Transportation

1. Research and Create the policy and the law to monitor the impact of environment ,social and nature about the construction of gas station ;
2. assessments, to monitoring and evaluate the impact on environment for fuel operator;
3. Receive the request and feedback from people on the environment impact from civilian and relevant sectors, and resolve conflicts according to their responsibility;
4. Propose to the relevant organization, consider, review, suspend or make cancellation business operation that's cause harm or threaten to people health, animals, plants and other living things.
5. Coordinate with other relevant sectors about the petroleum business
6. Use other rights and responsibility accord to the law
7. Dissemination of the policies and laws on environmental, social and environmental impact assessments on the establishment and distribution of fuel business to society.
8. Consider proposing to establish of petroleum business, issue the business license, suspend or terminate certificates on environmental, social and environmental impact

Article 70 Right and responsibility of public security sector

The right and responsibility of public security sector as follow:

1. Research and Create the policy to regulate on the fire controlling;
2. Dissemination of legislation and the law on the fire controlling to society to acknowledge
3. Considerate on issue the business license , given order to temporary or permanent

- cease for petroleum business operation on fire controlling for business firm;
4. To regulate, inspect , give the warning, to fine to the violator on rule and anti-fire for petrol business operator
 5. Coordinate with other relevant sectors about the petroleum business
 6. Use other rights and responsibility accord to the law.

Article 71 Right and responsibility of Science and technology Sectors

Science and technology sector has right and responsibility on management of petroleum business as follow:

1. Research and Create the policy to control quality and standard of petroleum;
2. Dissemination of legislation and the law on the controlling quality and standard of petroleum to society to acknowledge
3. Considerate on issue the business license , given order to temporary or permanent cancellation for petroleum business operation on quality and standard of petroleum for business firm;
4. To regulate, inspect quality and quantity of petroleum
5. To the define the standard of measurement on fuel
6. Coordinate with other relevant sectors about the petroleum business
7. Use other rights and responsibility accord to the law.

Article 72 Right and responsibility of financial sector

The right and responsibility of financial sector as follow:

1. Research, create the policy and law to collect the duty, tax and other obligation on petroleum business;
2. Dissemination of legislation and the law on the custom, tax on petroleum business to society to acknowledge;
3. To regulate, to audit the petroleum company to commit for custom's duty, tax and other associated obligation as per specific in the laws;
4. To the define the standard of measurement on fuel
5. Coordinate with other relevant sectors about the petroleum business
6. Use other rights and responsibility accord to relevant the law.

Article 73 The right and responsibility of energy and mine Sectors

The right and responsibility of energy and mine sector as follow:

1. Research, create the policy and law to regulate the manufacturer and refiner of petroleum and bio-gas;
2. Dissemination of legislation and the law on the manufacture and refine of petroleum and bio-gas;
3. To collaborate with industry and commerce sector and relevant sector to issue the regulation on the manufacturing and refine the fuel;
4. Research and development the policy on manufacture and refine the petroleum

5. Issue the certificate on investment of manufacture and refine of bio-gas
6. To regulate, inspect of manufacturer and finner of bio-gas business operator;
7. Coordinate with other relevant sectors about the petroleum business
8. Use other rights and responsibility accord to relevant the law.

Article 74 The right and responsibility of relevant sector and local authority

Relavant sectors, Local authority have right and responsibility to enabling the regulation, monitor and inspection on the business operation of petroleum business , to collaborate with industry and commerce sectors accords to the role and their responsibility.

Article 75 Decentralization

Assign to line ministries who regulates authority of the petroleum business as provision in **article 75** of this decree to study and decentralize as the role and responsibility in vertical and horizontal perspective for each level.

Chapter 2

Inspection of petroleum business

Article 76 Inspective Authority of petroleum business

Inspective authority of petroleum business consists as follow:

Internal inspective organization is the same entity who are regulate the petroleum business as per specified in **article 63** of this decree

External inspective organization is the state audit organization to be auditor petrol business accord to the role and responsibility that's specific in the law.

Article 77 Inspective content

Inspective management f petroleum business as follows:

To comply with the law , policy on the petroleumbusiness
Impletment and movement of the state officer, employee, and relavant organization on regulate the petroleum business

Article 78 Inspection formation

There are three forms of inspection of petroleum business as follow:

1. Normal inspection
2. Advance notificative inspection
3. Urgent inspection

The normal inspection is the inspecting accord to the scheme and there are stated term of inspect twice a year

The advancenoficative inspection is the inspection is the inspective plan other than normal inspection plan when is necessary and that is needed to inform the inspected entity to acknowledge prior inspection

The urgent inspection is the inspection when is necessary and emergency required without notification in advance.

To the inspection must be conducted by inspecting the reference document and actual visit onsite

Comply with the law solemnly

Part IX

The recognition to outstanding performer and measurement to the violators

Article 76 Recognition to the outstanding performer

Individual, legal entity or organization who have outstanding performance in turn of implement of this decree will be recognized or compensates accord the law

Article 80 The measurement to the violator

Individual, legal entity or organization who has violate the rule for instance violate the any prohibit in this decree will be panaltize such as give an lesson, desplinar, give panaltize, fine, pay for the damage in the economic law or receive the panalty in prosecutive law accords the each case.

Article 81 The measurement by given lesson

Individual, legal entity or organization who has violate the rule for instance violate the any prohibit in each case if there is a first time which is not violate the prosecutive law they will be given a warning, give the lesson with record the incident

Article 82 The measurement by given deciplinary action

State officer and employee who violate this decree such as violate the prohibit which is not a prosecutive voilating, they will be taken the action as deciplinary as the law

1. Give a warning as a legal misconduct and be record to attach with his/her CV
2. Suspend the promotion, the salary, and the praise
3. Discharge or transfer out to another work place with a lower position
4. Resign without any compensasion

The person who is disciplined must return all asset to the state completely that her/she had derived illegally.

Article 83 The measurement on fine

The petrol business operator who violate this decree they will be fined as follow :

A. To importer and exporter of petroleum

1. To Import unqualified fuel as national standard that will be exported and get fine for 10% of found value of fuel.
2. to supplies unqualified fuel as national standard that will be seized and fined to 50% of the proven fuel value.
3. If importer supplies the fuel directly to gas station they will be fined 50% of the proven fuel value.
4. Rejecting the supply of fuel to their domestic distributor company unreasonably they must be fined to five million (5,000,000) kip per time.
5. To assign the right to their network domestic distributor to import fuel will be get fined to 30% of the proven fuel value;
6. Let another person to use their business registration certificate they will be fined to one hundred million (100,000) kip per time and also stop the that person's movement;
7. Importing fuel without the business license they will be fined 50% of the proven fuel value;
8. Import and supply the petrol without hiring through the petrol depot they will be get fine to 20% of proven fuel and refresh the procedure.
9. import of fuels illegally as per permitted amount they will be siezed and fined 50% of the proven fuel value.

B. to domestic distributor company

1. import the fuel by themselfe will be siezed and be fined 50 of proven fuel value;
2. to supply unqualified fuel as national standard will be siezed and be fined 50 of proven fuel value;
3. to reserve the fuel in matter to prosperous the profit or create situation for a market that will be fined ten millions (10.000.000) kip per time;
4. supplying of the petrol to the gas station or representative gas station who are not their own network they will be fined 50% of proven fuel value;
5. reject to supply the fuel unreasonably to their network gas station or representative gas station they will be fined five million (5.000.000) kip per time;
6. supply the petrol without hiring through the petrol depot they will be get fine to 20% of proven fuel and refresh the procedure.
7. import of fuels without pay the obligation or not fulfilled commition they will be siezed and fined 50% of the proven fuel value.

C. petroleum business for gas station

1. Distribute the unqualified as national standard will be seized and fined to 20% of the proven fuel value.
2. Fuel supply is insufficient to be fined two million (2,000,000) kip per time

3. To temporarily or permanently suspend gas station without notification to local authority such as District and Municipal and Municipal industry and commerce of three days prior they will be fined for five million (5,000,000) kip per time.
4. The sale of fuel is different price other than the conducted price by lao petroleum authority had defined, the gas station must be fined five million (5,000,000) kip per time;
5. Buy and sell the fuel from import or export of petroleum company and local distributor company who is not their network they will be fined fifteen million (15,000,000) kip per time;
6. Allow another person to apply a business registration certificate that will be fined thirty million (30,000,000) kip per time.
7. Distribute the Fuel without business license that will be fined ten million (10,000,000) kip per time.
8. There are own Vehicles to transporting oil by themselves that will be fined fifteen million (15,000,000) kip per time.
9. Import the petrol by their own importation that will be fined 50% of proven fuel value;
10. Distribute the fuel outside system that will be seized and fined 50% of the proven fuel value.

D. petroleum business operator

1. Give a service without signing a contract to any petroleum business operator that will be fined for fifteen million (15,000,000) kip per time;
2. Fuel overloaded of transport vehicles capacity accords to relevant rules that will be fined for fifteen million (15,000,000) kip per time;
3. Transit Fuel to other location without permit that will be fined for fifteen million (15,000,000) kip per time;
4. Import the petrol by their own importation that will be fined 50% of proven fuel value;
5. Allow another person to apply a business registration certificate that will be fined thirty million (30,000,000) kip per time.

Article 84 Measurement on civil law

Individual, legal entity or organization who has violated this decree by causing damage to state, social and other's benefit they must pay back according to the loss and damage.

Article 85 Measurement on additional penalty

Other than violator as defined in articles 78, 79, 80, 81 and article 82 of this decree the violator also be suspended, or retrieve the business registration certificate.

Part XI Final provision

Article 87 Implementation

Assign to the petroleum administrative authority to implement this decree effectively.

Line ministries, equivalence and local authority to acknowledge and give cooperation in implementation of this decree as their role and responsibility solemnly.

Assign the Ministry of Industry and Commerce to coordinate with relevant ministries to implement this decree.

Article 88 Effectiveness

This decree is effectiveness since the signatory date and subsequently official gazette fifteen days.

Provision, introduction which is against this decree that must be abolished.

Government of Lao PDR

Prime minister

[Seal and Signature]

Thongluan Sisulit