



**LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

Ministry of Finance

No. 2753 /MOF  
Vientiane, Date: 16 August 2017

**Notification on Value-Added Tax**

**Att:** - Tax Department, Ministry of Finance  
- Tax office in Capitals, Provinces  
- Individual, legal entities, organization, business operator on mineral business.

**Subject:** "Collection of Value Add Tax (VAT) from mineral excavation, distribute and export of mineral product".

- Pursuant to The Law on Value Add Tax (VAT) No 52/NA, Date 23 August 2014;
- Pursuant to Minister's instruction on implementation of Value Add Tax (VAT) Law Ref.no 077/MOF, dated 11 JAN 2017.

To ensure the enforcement of VAT that corresponds to the law on value add tax ( VAT) and capable for VAT collection to contribute into state budget correctly. Hence, Ministry of Finance issue additional notification on collection of Value Add Tax (VAT) from mineral excavation, distribute domestically and export to abroad or special economic zone for mineral in term of processed product and semi-mineral processed product as detail below:

**1. Implementation of VAT at the mineral excavation portion**

If concessional person who is excavate himself/herself that will not be paid the VAT , If there are hiring another person to make excavation that must pay the VAT from that purchasing of excavated service at 10 % rate, reference to bullet 6.2.1 of minister's instruction on implementation of the law on Value Add Tax (VAT) Ref.no 077/MOF, dated 11 JAN 2017; provide the natural resource excavation service by other who are not concessional person, basis of VAT calculation is based upon actual excavated amount or the dealt amount in contract which is not include VAT.

**2. Collection of Value Add Tax (VAT) from mineral distribution domestically**

Individual or legal entities who supply the mineral or mineral product in both processed product, semi-product or as raw material that shall with the VAT in rate 10% of supplying value, accords to article 16 of the Law on VAT and bullet 6.4 of minister's instruction on implementation of Value Add Tax (VAT) Law Ref.no 077/MOF, dated 11 JAN 2017; exceptional list as specified at article 12 (revised) and bullet 5.1 of the law on VTA and above mentioned instruction.

**3. Collection of Value Add Tax from export of mineral or mineral product to foreign country or special economic zone.**

Individual or legal entities who export mineral or mineral product to foreign country or special economic zone must commit the obligation on VAT as follows:

- Let's VAT calculation at the rate 0% for exportation of processed mineral product;
- Let's VAT calculation at the rate 10% for raw mineral material and it is not processed mineral product as specifies in article 16 of The Law on VAT and bullet 6.4 of minister's instruction on implementation of Value Add Tax (VAT) Law Ref.no 077/MOF, dated 11 JAN 2017;

**4. Deduction, refund and deliver the VAT.**

**(1). Deduction of VAT on entry port:**

The value add tax in entry port is allowed to deduct that VAT are connected directly to mineral or mineral product which domestic sell and comply with condition as specified in article

19 and 20 and bullet 1-4 of the law on VAT ref.no 52/NA, dated 23 August 2014 and minister's instruction on implementation of Value Add Tax (VAT) Law Ref.no 077/MOF, dated 11 JAN 2017;

**(2). Refundable VAT :**

The refundable value add tax that is allowed to refundable that VAT are connected directly to processed mineral product which export to foreign country and comply with condition as specified in article 26 and bullet 7.1 bullet 7.1 .A of the law on VAT ref.no 52/NA, dated 23 August 2014 and minister's instruction on implementation of Value Add Tax (VAT) Law Ref.no 077/MOF, dated 11 JAN 2017;

**(3). Mechanism of declaration- delivery of VAT :**

- The exportation of mineral or unprocessed mineral product to foreign country or special economic zone that needs to declare-deliver the VAT it's made at tax department extraordinarily the granted projects were approved in central level and to other projects were approved by provincial or local authorities that's needed to declared and delivered to tax office at where are project's locations;
- The mineral distribution within country that's needed to commit to declare-deliver the VAT to Tax office accords to where company had registered or project's location.

Therefore, this notification must be inform to all acknowledge and strictly on implementation.

**Vice prime minster**

**Minister of finance**

**Somdy Duangdy**