



**People's Democratic Republic
Peace Independence Democracy Unity Prosperity**

Ministry of Finance
Customs Department

No.2350/MOF
Vientiane Capital, dated 18 July 2018

Notification

**On Duty and Taxes Declarations for Changing Ownership of Vehicle and Machinery
under imported exception, no charge tax(temporary) or tax deductible**

- Pursuant to the Customs Law, No. 04/NA, dated 20 December 2011, and Amended Customs Law No 57/NA, dated 24 December 2014
- Pursuant to the Promotion Investment Law revision No. 14/NA, dated 17 November 2016
- Pursuant to the Decree on Structure and Implementation of Ministry of Finance, No 114/GoL, dated 8 May 2017.
- Pursuant to the Memorandum Agreement between Ministry of Finance and Line agencies at Ministry of Finance, dated 7 June 2018.
- Pursuant to the report of Customs Department No.03512/CD, dated 4 July 2018.

In the past the vehicle and machinery under imported exception regime, no charge tax(temporary) or ta-deductible for investment projects, diplomatic, international organization and, the vehicle with administrative license plate. While changing ownership using in Laos, it is indicated that there is no uniformity. There was not using on the target and activity especially imported vehicle for projects. Also, it is shown that abused the law and used the vehicle or machinery under exception policy for sales which abused the laws and damaged the government budget

Deputy Prime Minister, Minister of Finance has issues the notification:

1. Imported vehicle and machinery under investment promotion policy

1.1 Individuals and entities, who own vehicle or machinery, imported under promotion investment policy by used in wrong target or expired date of temporary plate. The owner of the vehicle or

machinery has to pay customs duty-taxes declaration and other obligations for changing ownership to compliance with the laws and regulations.

1.2 The procedure for implementation, the owner of the vehicle and machinery must to present the primary import copies details of customs declaration form, permit license from planning and investment sector, permit license on cancelled plate from Public Work and Transport sector and other relevant documents to coordinate with Customs control zones at the provinces throughout the country in order to pay customs duty-taxes declaration and other obligations for changing ownership to compliance with the laws and regulations.

1.3 For the calculation on customs duty-taxes is based on the primary import copies details of customs declaration form, or the vehicle and machinery under investment project more than 2 years (since the imported date) would be able to eliminate depreciation as table 7 of Public Work and Transport sector in order to use as the basic principle for calculation rate of customs duty-taxes.

1.4 To calculate customs duty-taxes and other obligations for changing the ownership must follow:

- Within 30 days after receiving the permit license from planning and investment sector, the owner must pay customs duty-taxes and other obligations based on laws and regulations.
- Within 31 to 180 days after receiving the permit license from planning and investment, it has to follow the measure on customs law as Article 88 (pay customs duty-taxes and 10% fines on the value of the vehicle and machinery).

2. Imported vehicle for diplomatic and international organization

2.1. Imported vehicle for diplomatic and international organization as mentioned in Article 50 of customs law, after completed the mission in Laos, the used vehicle must to return to original country, in case if the vehicles intended to use in Laos that must to pay customs duty-taxes and other obligations based on customs law Article 52.

2.2. The procedure for implementation, it is needed to have notice from Department of Diplomatic, Ministry of Foreign Affair and permit license on cancelled plate from Public Work and Transport sector and, the primary import copies details of customs declaration form then bring the vehicle to present at Customs Department (Division of Post Clearance Audit) Ministry of Finance in order to pay customs duty-taxes and other obligations according to the laws and regulations strictly.

2.3. For the calculation on customs duty-taxes is based on the primary import copies details of customs declaration form, eliminate depreciation as table 7 of Public Work and Transport sector in order to use as the basic principle for calculation rate of customs duty-taxes.

2.4. In case of the owner of vehicle does not present on customs duty-taxes and other obligations according to the laws and regulations within 30 days after receiving the notice from Department of Diplomatic, Ministry of Foreign Affairs, it has to follow the measures as follows:

- If it is late on paying customs duty-taxes within 31 to 180 days, it has to follow the measure on customs law as Article 88 (pay customs duty-taxes and 10% fines on the value of the vehicle and machinery).
- If it is late on paying customs duty-taxes after 181 days up, it has to follow the measure on customs law as Article 89 (pay customs duty-taxes and 30% fines on the value of the vehicle and machinery).

3. The vehicle with state license plate

3.1. The vehicle with state license plate without paying import customs duty-taxes and other obligations that the government assigned to individuals used, it must to pay customs duty-taxes based on laws and regulations.

3.2. The procedure for implementation, it is needed to have Decision from the owner vehicle organization to transfer to individuals, memorandum on old vehicle valuation records from departments and valuation committee and, the primary import copies details of customs declaration form then bring the vehicle to present at Customs Department (Division of Post Clearance Audit) Ministry of Finance or Customs administration where the customs joint the committee on vehicle valuation records in order to pay customs duty-taxes and other obligations according to the laws and regulations strictly within 45 days.

3.3. For the calculation on customs duty-taxes is based on memorandum on old vehicle valuation records from Management State Property Department and departments and valuation committee.

- In case of person who have approve the transfer of ownership of the vehicle has come to declare customs duty-taxes late than 45 days after the date of signature of memorandum on old vehicle valuation records from Management State Property Department departments, it must inspect and certify from the valuation committee. If the ownership has no reason to paying late on customs duty-taxes, it has to follow the measure on customs law as Article 88 (pay customs duty-taxes and 10% fines on the value of the vehicle and machinery).

4. In case the ownership has intent to avoid paying customs duty-taxes by not present vehicle or machinery to declare customs duty-taxes and other obligations according to the laws and regulations. If the customs official or government authorities

5. The penalties obtain from the prosecution it has to follow the instruction of customs department No.4148/CD, dated 03/03/2016.

6. Implementation

6.1. Customs Department, Ministry of Finance

- Monitor, inspect, advice to customs control zones and customs inspection at provinces on the implementation of uniformity throughout the country.
- Customs Control zones and customs inspection at provinces must to strengthen the suppression and coordinate with line agencies to carry out the settlement.

6.2. Management State Property Department, Ministry of Finance

- Monitor, inspect, advice to line government agencies on the changing the ownership of the vehicle with state license plate without paying import customs duty-taxes and other obligations that the government assigned to individuals used, it must to pay customs duty-taxes based on laws and regulations.
- Give direction to the Management State Property Sector across the country must pay attention on the management inspection and estimate the value of used vehicle appropriately and comply with the actual vehicle.

6.3. Transport Department, Ministry of Public Work and Transport

- Monitor, inspect the imported vehicle and machinery under investment promotion policy, vehicle for diplomatic and international organization conversion. it must to pay customs duty-taxes and other obligations based on laws and regulations.
- Monitor, check the list of the targets vehicle and temporary used of machinery which has expired date in order to inform other agencies to conduct a follow up the inspection.

6.4. Investment Promotion Department, Ministry of Planning and Investment

- Monitor, inspect and advise to the investment projects across the country which has imported vehicle or machinery under exception, no charge tax (temporary) or tax deductible based on investment promotion policy. After completed projects or expired the temporary plate, it must to declare customs duty-taxes and other obligations to changing the ownership compliance with the laws and regulations.
- Set up the mechanism for tracking the numbers vehicle and machinery by issued licenses and deleted from account after completed the projects in order to inform other agencies to conduct a follow up the inspection.

6.5. Diplomatic Department, Ministry of Foreign Affairs

- Monitor, inspect and advise to the embassies, international organizations. After completed the mission in Laos, the used vehicle must to return to original country, in case if the

vehicles intended to use in Laos that must to pay customs duty-taxes and other obligations compliance with the laws and regulations.

- Monitor, check the list the number of cases for removing from the diplomatic mission list and international organization regarding to issue notify line agencies to conduct a follow up the inspection.
7. Assigned Customs Department, Department of Finance at Capital, Provincial and relevant agencies both in Central and Provincial have to focus on the implementation of this notification meet the target, and together with disseminate the contents of this notification for society to understand and strictly implementation.
8. This notice replaces the notification No. 1825/MOF, dated 15 June 2018 and becomes an effective and useable since the dated of signature.

Deputy Prime Minister
Minister of Finance
[Sign and seal]

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| CC: - Prime Minister, Deputy Prime Minister | 01 "as the report" |
| - Hear of the Provinces | 01 "to report" |
| - Ministry of Public Work and Transport | 01 "to report" |
| - Ministry of Planning and Investment | 01 "to report" |
| - Ministry of Public Security | 01 "to report" |
| - Ministry of Foreign Affair | 01 "to report" |
| - Department of Finance at Capital, provinces | 01 "To implement" |
| - Customs Department | 01 "To implement" |
| - Management State Property Department | 01 "To implement" |
| - Transport Department | 01 "To implement" |
| - Investment Promotion Department | 01 "To implement" |
| - Diplomatic Department | 01 "To implement" |