



ភិណ្ឌឃាយវ៉ាត្ថ័យហាសិ  
**Law on Customs**



## **Preface**

In company with strong commitment and will, the enhancement of legal structure, organization structure, and the development of qualified human resource is critical factor to reduce any inactive activities in customs process in order to create a mutual understanding atmosphere. To materialize the objective, the Lao Customs Department has overcome successfully many obstacles through the rigorous implementation of the National Socio-Economic Development Plan, which determines the development of private sector and trade is one of the most important components in the strategy.

The publication of Law on Customs is another important step that will promote the confidence within the business community and contribute to the implementation of the customs modernization through automation of customs procedures to be in line with the international standard and best practices.

The Law on Customs has been translated into English by the active support of the US International Narcotics and Law Enforcement (INL) and the United Nations Office on Drugs and Crime (UNODC).

I would like to emphasize that this publication will contribute and encourage the Lao Customs Department to continue to improve the work efficiency and ultimately contribute to the development of all sectors in Lao PDR in the near future.

**Phoukhaokham Vannavognxay**

**Director General  
Lao Customs Department**

# NOTE

For ease of access and reading, the English and Lao version of this edition of the Law on Customs has been compiled into separate English and Lao versions.

The English version is for the purpose of dissemination, to use for general information, and provided as a guide. However, the Lao version shall prevail in case of any inconsistency or misinterpretation.

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LAW  
ON  
CUSTOMS



People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

The President

No. 138/P  
Vientiane Capital, date 10 August 2020

**Decree of the President  
of the Lao People's Democratic Republic  
On the Promulgation of the Law on Customs**

- Pursuant to the Constitution of Lao People's Democratic Republic (Revised Version in 2015), Chapter VI, Article 67, Clause 1;
- Pursuant to the Resolution of the National Assembly, No. 04/NA, dated 29 June 2020 on the approval of the revised Law on Customs;
- Pursuant to the Letter of Proposal by the Standing Committee of the National Assembly, No. 07/STC, dated 13 August 2020.

**The President of the Lao People's Democratic Republic  
Decrees:**

Article 1 The Law on Customs is hereby promulgated.

Article 2 This Decree comes into force as from the date of signature.

The President of Lao PDR  
(Signature and Sealed)  
Bounhang Volachith



Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

National Assembly

No. 81/NA  
Vientiane Capital, date 29 June 2020

## **LAW ON CUSTOMS (Amended)**

### **PART I GENERAL PROVISIONS**

#### **Article 1 (Amended) Objectives**

This law provides the principles, procedures and measures related to the management of the import-export, transit and movement of goods, means of transport and passengers through customs border checkpoints to facilitate trade, promote investment and international integration and connectivity with an aim to strengthening the Customs Administration, ensuring revenue collection in a complete and timely manner, protecting the interests of operators, security and social stability of the State and contributing to the social and economic development of the State.

#### **Article 2 (Amended) Customs Duty**

Customs Duty means monetary obligations that are paid to the State by natural or legal persons, or organizations undertaking the import-export, transit and/or movement of goods through customs border checkpoints as determined by the rates in the Tariff Nomenclature and Duty Rates and the relevant laws.

#### **Article 3 (Amended) Definitions**

The terms used in this law shall have the following meaning:

1. **Customs Administration** means the Customs Department, Provincial and Vientiane Capital Customs and the other organizations under the Customs Department, Ministry of Finance that are responsible for implementing this law and other related laws in a centralized and uniform manner throughout the country;
2. **Owner of goods** means either a natural or legal person having title to the goods imported-exported, in transit, moved and stored in a warehouse;
3. **Electronic signature** means a signature applied electronically by a declarant or owner of goods or non-commercial goods which is certified by Customs Administration and used for the purpose of declaring goods in an electronic declaration system;
4. **Arrival of goods** means the bringing of goods from abroad to the customs border checkpoints of Lao PDR, a warehouse or other places designated by the Customs Administration for undertaking customs formalities in accordance with customs regulations;
5. **Departure of goods** means the moving of goods out of the designated customs border checkpoints of Lao PDR after the completion of customs formalities in accordance with customs regulations;
6. **In-Transit goods** means the movement of goods through the territory of Lao PDR that is being exported from one country and imported to another country in accordance with customs regulations;

7. **Transfer of goods** means the moving of goods from one means of transport to another means of transport;
8. **Restricted goods** mean goods that are imported, exported, moved and/or stored subject to an approval by a competent authority in accordance with the specific regulations;
9. **Prohibited goods** mean goods such as firearms and narcotics that shall not be allowed to be imported-exported, transited, moved and/or stored in accordance with the laws;
10. **Logistics** means the system of managing the efficient and effective movement, transfer, control, storage, packaging, and transportation of goods, related services and provision of information from the origin to the destination to meet a customer's needs;
11. **Container Yard** means a place for storing and repairing a container or a place for sorting the goods to consignees in accordance with commercial transactions;
12. **Storage of goods** means the storage of goods in accordance with warehouse management regulations, in a warehouse or any designated place pending customs clearance;
13. **Seizure of goods or means of transport** means the temporary storage of goods or means of transport seized pending the outcome of the investigation;
14. **Restraint of goods or means of transport** means the temporary storage of goods, or means of transport at the premises of the accused or the customs warehouse which shall not be sold, transferred, pawned, mortgaged or used as collateral pending the outcome of the adjudication or the investigation;
15. **Confiscation of goods** or non-commercial goods is the forfeiture of goods or non-commercial goods following the court decision;
16. **Customs border checkpoint** means the international customs checkpoints, local customs checkpoints and traditional customs checkpoints that allow the import-export of goods, non-commercial goods, an entry or exit of means of transports and passengers in accordance with the laws;
17. **Suspension of Customs Duty** means no customs duty payment for temporarily imported goods provided that they are re-exported in a timely manner;
18. **Goods** mean the products with economic value which are imported, exported and in transit for the purpose of production, processing, consumption and/or distribution as specified in the Customs Tariff Nomenclature of Lao PDR;
19. **Non-commercial goods** mean the products with or without economic value which are imported and exported to be used by a natural or legal person;
20. **Authorized Economic Operator-AEO** means operators who are in full compliance with the Law on Customs and other relevant laws and regulations;
21. **Customs declaration procedure** means a process by which the application of specific codes in relation to the import, export, transit, movement, and storage of goods or non-commercial goods for the purpose of customs declaration;
22. **Tariff Nomenclature and Duty Rates** mean the harmonized system of nomenclature established in accordance with the commodity codification principles developed by the World Customs Organization and the duty rates of Lao PDR, and the free trade agreements to which Lao PDR is a Party;
23. **Dry Port** means the local and international cargo handling stations inside the logistics park, which connects to single or multimodal transport for the purpose of control, storage and inspection of goods by the customs officers and those of other competent authorities in accordance with the international trading system.

#### **Article 4 (Amended) State Policy on Customs**

The State creates a favorable environment for operators to undertake the import-export, transit, movement and/or storage of goods.

The State encourages and promotes customs operations by establishing policies, regulations, budgets, staffing, providing means of transport and/or materials necessary for efficient and effective operations.

The State develops human resources for the Customs Administration to have the knowledge, ability, trustworthiness, transparency, and expertise in the management and administration of the customs operations to be strengthened and modernized.

The State encourages and facilitates operators to fulfill their customs duties' obligations as stipulated in the law.

#### **Article 5 (New) Facilitation of Customs**

The State facilitates customs operations by establishing mechanisms and providing facilities such as information platforms, modern tools, knowledgeable personnel, and the ability to provide services in accordance with international standards and the laws.

The State prioritizes the facilitation of customs for AEOs, and domestic and foreign investors who intend to relocate production bases into Lao PDR.

#### **Article 6 (New) Integrated Services**

The State utilizes the country's geographical advantage as a regional hub to ensure that customs operations meet the demands of logistics operators and to set policies, mechanisms and regulations by introducing advanced technologies to expedite the trade flow, and for secure and efficient integration in a timely manner.

#### **Article 7 (New) Customs Modernization**

The State places great importance upon customs modernization in order to manage the organization and personnel, introduce systems, management mechanisms and methods, administrative procedures, services, as well as the use of tools to collect data and maintain accurate, complete, transparent and auditable records.

The State encourages natural or legal persons, or organizations to invest and participate in the development and use of technology for efficient and effective processing of commercial transactions, and customs clearance.

#### **Article 8 (Amended) Customs Operations Principles**

Customs operations shall comply with the following principles to:

1. Comply with the policies, strategic plans, laws, the National Socio-Economic Development Plan, as periodically updated;
2. Manage Customs Administration in centralized and uniform manner throughout the country;
3. Facilitate customs operations in order to promote investment, production, trade, and services in accordance with the laws;
4. Ensure the participation of natural or legal persons, or organizations;
5. Provide for prompt, modern, accurate, complete, fair, transparent and auditable service in accordance with the laws;
6. Collaborate with relevant ministries, agencies, sectors, and local administrations;
7. Comply with the international treaties and agreements to which Lao PDR is a Party.

#### **Article 9 (Amended) Goods or Non-commercial Goods Subject to Customs Duty**

All categories of goods or non-commercial goods imported into or exported out of Lao PDR, including goods purchased with the state budget, shall be subject to customs duty according to the duty rates defined in the Tariff Nomenclature of Lao PDR, except in the case of duty exemption or suspension.

Natural or legal persons, or organizations engaged in the import-export of goods or non-commercial goods are subject to customs duty as specified in this law.

**Article 10 (New) Collaboration with Customs**

The State encourages ministries, agencies and local administrations, the public and private sectors to cooperate and coordinate with customs to implement this law and other relevant laws.

Central and local authorities have a joint responsibility to address barriers to the import-export, transit, movement of goods, entry and exit of means of transport and passengers through customs border checkpoint, and to prevent and combat the illegal trade.

**Article 11 (New) Citizens' Obligations to Prevent Smuggling**

Every citizen must monitor, provide information, report and cooperate with the customs officers to prevent smuggling activities, illegal trade and other customs related violations.

**Article 12 (New) Scope of the Law**

This law applies to natural or legal persons, or organizations engaged in the import-export, transit, movement, storage of goods, entry-exit of means of transport and passengers through customs border checkpoints or other related customs operations in Lao PDR.

**Article 13 (Amended) International Cooperation**

The State is open to and promotes relations and cooperation with foreign countries at regional and international level on customs matters through the exchange of lessons, information, techniques, technologies, training and capacity building, and compliance with the international treaties and agreements to which Lao PDR is a Party.



## **PART II CUSTOMS FORMALITIES AND CLEARANCE**

### **Chapter 1 Customs Formalities**

#### **Article 14 (Amended) Customs Formalities**

Customs formalities are legal provisions issued to regulate and monitor the import-export, transit, movement and storage of goods, and entry-exit of means of transport and passengers through customs border checkpoints and within the customs territory as defined in this law.

All categories of goods or non-commercial goods, including goods that are subject to duty exemption or suspension, that are imported-exported, transited and moved shall be subject to the customs formalities.

#### **Article 15 (Amended) Customs Valuation for Export**

Customs valuation for export is the process for determining the customs value based upon the actual value of goods or non-commercial goods including the freight, insurance (if any) and other costs incurred prior to and upon arrival at the customs border checkpoints or any other places designated by the Customs Administration at which goods are being exported.

#### **Article 16 (Amended) Customs Valuation for Import**

Customs valuation for import is the process for determining the customs value based upon the actual value of goods or non-commercial goods including freight and/or insurance and other related costs (if any) prior to and upon arrival at the customs border checkpoints or any other designated places by the Customs Administration at which goods are being imported in accordance with Article 7 of the General Agreement on Tariffs and Trade (GATT 1994) of the World Trade Organization as follows:

1. Determination of Customs value by using the transaction value;
2. Determination of Customs value by using the transaction value of identical goods;
3. Determination of Customs value by using the transaction value of similar goods;
4. Determination of Customs value by using the deductive value method;
5. Determination of Customs value by using the computed value method;
6. Determination of Customs value by using the fall-back method.

The Ministry of Finance shall issue regulations on the principles of customs valuation for imports.

#### **Article 17 (Amended) Classification of Goods**

The classification of goods or non-commercial goods, whether imported-exported, transited, or moved, is the codification of goods to serve as a basis for the calculation of customs duties, and the implementation of policies for the management of goods and statistics of trading goods. The classification of goods shall be based on trade documents, technical documents and other information related to the goods to classify the goods and the corresponding codes.

For the purpose of identifying any restricted and prohibited goods, the concerned agencies shall collaborate with Customs to apply a codification methodology in accordance with the correct heading, sub-heading and description of the goods as specified in the Tariff Nomenclature and duty rates of Lao PDR.

The owner of goods or a customs declarant is required to declare the goods according to the code of each category of goods or non-commercial goods as specified in the Tariff

Nomenclature and Duty Rates of Lao PDR in accordance with the Harmonized System (HS) of the World Customs Organization and ASEAN Harmonized Tariff Nomenclature.

While conducting the physical inspection of goods, the customs officer must check the HS code of goods from the customs declaration form, the results of the inspection, and/or the analysis, research and evaluation of the actual goods. In case of misclassification of goods by the customs declarant, the customs officer may collect samples for a laboratory test to ensure the correct classification. Where the customs declarant is unsatisfied with the Customs' decision on the classification, the declarant may request reclassification.

The Ministry of Finance shall periodically collaborate with relevant agencies in compiling information on the HS code of each category of goods, all kinds of goods imported-exported, transited and moved.

#### **Article 18 (Amended) Origin of Goods**

The origin of goods is a country of origin determined based upon where the goods have been extracted, manufactured or processed; and the determination must meet required components in accordance with the rules of the World Customs Organization Harmonized System and ASEAN Harmonized Tariff Nomenclature (AHTN).

The application of the rules of origin is the certification of the country of origin to enjoy the preferential tariff treatment in accordance with the Free Trade Agreements to which the Government of Lao PDR is a Party.

#### **Article 19 (New) Examination of the Origin of Goods**

The examination of the origin of goods shall comply with the following:

1. For exported goods, the examination of the origin of goods shall be conducted upon a request by the importing country. The customs officers shall collaborate with the relevant authorities to conduct the examination based on the customs declaration; supporting documents; and results of a physical inspection of goods, manufacturing process and components of the goods. While waiting for the results of the examination of the origin of goods, the customs officers can allow the goods to be exported as stipulated in Article 38 of this law;
2. For imported goods, the customs officers shall examine all information based on the customs declaration; supporting documents; the certificate of origin and results of a physical inspection of goods. In case of doubt about the validity of the origin of goods, the customs officers shall collaborate with the competent authorities to examine the origin of goods in the country of manufacture under the terms of relevant agreements to which the Lao PDR is a Party. The results of the examination of the origin of goods shall be legally binding for the certificate of origin. While waiting for the results of the examination of the origin of goods, the customs declarant can import the goods as specified in Article 38 of this law but preferential tariff treatment shall not be granted.

Procedures, methods and timelines for the examination of the origin of goods are set out in specific regulations.

#### **Article 20 (New) Packages and Containers**

Packages or Containers for imported or exported goods shall have specific marks, labels and reference numbers according to international standards. Different types of goods are not allowed to be combined into a single package; and a container is not allowed to be modified.

For imported goods, a product label shall be on a package or a container in the Lao language in accordance with the regulations of the relevant agencies.

### **Article 21 (New) Arrival and Departure of Goods**

Arrival and departure of goods shall comply with the following procedures:

1. The arrival of imported goods by waterway shall be deemed to have occurred when the cargo ship docks at a port designated by the Customs Administration, and the goods are unloaded; the departure of the goods shall be deemed completed when the cargo ship leaves a port of the Lao PDR;
  2. The arrival of imported goods by land shall be deemed to have occurred when the freight truck arrives at the customs border checkpoint, and the goods are unloaded from the truck to the warehouse or at a place designated by the Customs Administration; the departure of the goods shall be deemed completed when the freight truck leaves the customs border checkpoint of the Lao PDR;
  3. The arrival of imported goods by air shall be deemed completed when the cargo aircraft or private aircraft arrives at the airport where the customs office is located; the departure of the goods shall be deemed completed when the aircraft departs the last airport where the customs office is located before leaving Lao PDR;
  4. The arrival of imported goods by railway shall be deemed completed when the freight train arrives at the station where the customs office is located or at a place designated by the Customs Administration to store the goods. The departure of goods shall be deemed completed when the freight train leaves the last station where the customs office is located before leaving Lao PDR;
  5. The arrival of imported goods by post shall be deemed completed when the packages, parcels, or mailbags are opened at the post office where the customs officers are stationed or at a place designated by the Customs Administration. The departure of goods shall be deemed completed when the packages, parcels or mailbags are sealed; and depart in accordance with paragraphs 1, 2, 3 or 4 of this Article;
  6. The arrival of goods imported through pipelines, transmission lines or other similar means shall be deemed completed when the goods are delivered through such channels and the full units or volumes have arrived at the place designated by the relevant authorities. The departure of goods shall be deemed completed when the goods leave the premises or places designated by the relevant authorities and leave Lao PDR.
- The arrival and departure of goods in transit are specified in the specific regulations.

### **Article 22 (Amended) Customs Control**

Customs control is the application of measures, and methods by the Customs Administration under this law and other related laws to control the import-export, transit, movement, storage, transfer of goods, and entry-exit of means of transport and passengers through a customs border checkpoint.

### **Article 23 (New) Completion of Customs Control**

Customs control shall be deemed completed when the customs formalities are completed as set out in Article 14 of this law.

## **Chapter 2**

### **Customs Clearance**

#### **Article 24 (New) Customs Clearance**

The customs clearance is the declaration of information about goods, owners of goods, transport and commercial transaction documents for the purpose of customs control, inspection and/or correct payment of customs duties.

The customs clearance shall be undertaken with cargo declaration and detailed customs declaration, which can be made electronically or manually at a customs border checkpoint or at a place designated by the Customs Administration.

The Ministry of Finance shall issue regulations on the customs clearance.

#### **Article 25 (Amended) Cargo Declaration**

Cargo declaration is the declaration of goods or non-commercial goods based on the transport documents in advance or immediately upon the arrival of the goods at the customs border checkpoint in order for the customs officers to carry out the customs control.

During the cargo declaration, the customs declarant or a carrier shall comply with the following:

1. Declare the means of transport and documents in the form prescribed by the Customs Administration upon arrival or within twenty-four hours after arrival of goods; or
2. Declare the means of transport and documents in the form prescribed by the Customs Administration within twenty-four hours prior to the arrival of goods in accordance with this law.

During the cargo declaration, goods are not allowed to be unloaded from a means of transport unless the permission is granted by the Customs Administration or in case of a force majeure.

#### **Article 26 (Amended) Detailed Customs Declaration**

The detailed customs declaration is the accurate and complete declaration of the goods or non-commercial goods in the form prescribed by the Customs Administration.

The customs declarant shall be responsible for the information of the declared goods or non-commercial goods on the customs declaration form including all supporting documents.

#### **Article 27 (Amended) Customs Declaration Documents**

The customs declaration documents shall consist of the following:

1. Cargo declaration form and transport documents;
2. Detailed customs declaration form;
3. Commercial Invoice;
4. Packing list;

Supporting documents for the preferential tariff treatment shall consist of the following:

1. Certificate of origin for preferential tariff treatment; and/or
2. Import-export certificates and/or permits in the case of restricted goods.

#### **Article 28 (Amended) Time Limit for Detailed Customs Declaration**

The time limit for the detailed customs declaration shall follow these requirements:

1. The customs declarant shall lodge detailed customs declaration within official working hours or outside official working hours in accordance with the regulations;

2. The customs declarant shall lodge detailed customs declaration within fifteen days from the date of the cargo declaration; in the event of late lodging, customs officers shall apply the measures as specified in this law.

Customs officers may carry out customs formalities on public holidays and outside official working hours to ensure the timely loading and unloading of goods imported and exported, transited, and moved, the entry and exit of means of transport and passengers as requested by the customs declarant in accordance with the requirements and at a place designated by the rules and regulations of related agencies. The customs declarant shall bear all costs incurred.

#### **Article 29 (New) Examination of Customs Declaration Documents**

Customs officers have the right to examine the customs declaration documents and other supporting documents, such as for the purpose of checking compliance with policies on goods management and duty rates in accordance with the law. If customs officers find the information provided is correct, the customs declaration shall be approved and registered accordingly. If customs officers find inaccurate or incomplete information provided in the customs declaration, the customs declarant shall be notified immediately.

The examination of the customs declaration documents can be done electronically and/or manually.

In the event the customs declarant finds mistakes in the detailed customs declaration, the customs declarant shall prepare a new customs declaration within thirty days and the customs declarant shall receive a warning and be advised of the mistakes on the incorrect customs declaration.

In the event the customs declarant for any reason intends to cancel the detailed customs declaration lodged earlier, in order to place the goods under another customs formality, the customs declarant shall submit a request in writing to Customs Administration within ninety days after the detailed customs declaration has been lodged; and customs officers shall consider the request within fifteen working days.

#### **Article 30 (New) Refusal of Detailed Customs Declaration**

Customs officers can refuse the customs declaration in the event of incorrect or incomplete information, absence of the customs declarant's signature, use of incorrect form, or incomplete supporting documents, traces of white-outs, cross-outs, and/or stains.

In the event of refusal, the Customs Administration shall promptly notify the customs declarant in writing via an electronic communication channel or provide advice together with reasons.

#### **Article 31 (Amended) Detailed Customs Declaration prior to the arrival of goods**

A customs declarant can lodge the customs declaration prior to the arrival of goods at the customs border checkpoint as follows:

1. The customs declarant can make an advance declaration within seven working days and shall provide all related documents as stipulated in Article 27 of this law. The cargo declarations or transport documents shall be submitted to customs officers after the arrival of goods;
2. After a detailed customs declaration is registered, the customs declarant shall settle the customs duties after the arrival of the goods at the customs border checkpoint;
3. After the arrival of goods at the customs border checkpoint, the customs officer shall conduct a physical inspection or apply a risk management approach in accordance with the regulations.

### **Article 32 (Amended) Advance Rulings**

Advance rulings are the issuance of a paper confirming the HS code, the origin of goods, customs valuation or other information to be included in the detailed customs declaration for the purpose of the examination by customs officers in accordance with the customs formalities.

In the event that the customs declarant is not satisfied with the issuance of the advance rulings by Customs Administration as specified in the first paragraph of this article, the customs declarant shall provide additional information or seek technical advice from the customs officers as follows:

1. The customs declarant shall provide information, documents and samples of the goods to the customs officers for research purposes. In the event of not being able to provide samples of the goods, the customs declarant shall provide technical information on such goods;
2. The customs officer shall conduct research of classification of goods, the certification of origin, customs valuation and other information; and issue the advance rulings within sixty days from the date the request is received; in the event of incomplete or incorrect information, the customs declarant shall be requested in writing to provide further information within five working days. In the event that the customs declarant is not satisfied with the issuance of the advance rulings by Customs Administration, the customs declarant shall lodge a request to customs officers for reconsideration within thirty days from the date the advance ruling is received; and customs officers shall notify the customs declarant the results of the reconsideration within seven working days.

The advance rulings are valid for three years as long as the characteristics of the goods that have been approved have not changed. In the case where the goods have been changed in terms of the characteristics, the customs declarant shall request Customs Administration for a new advance ruling.

The Ministry of Finance shall introduce a regulation on advance rulings.

### **Article 33 (New) Exchange Rates**

The exchange rates used for the calculation of customs duties are the exchange rates between the currency of Lao PDR and foreign currencies announced by the Bank of the Lao PDR at the time the customs declaration is lodged.

## **Chapter 3 Examination, Release and Security**

### **Article 34 (New) Principles of Examination**

A customs examination shall be conducted in accordance with the results of analysis, research, and selection based on trade related information in order to apply a risk management approach as follows:

1. If low risk indicated, no examination shall be conducted;
2. If medium risk indicated, examination of relevant information and documents shall be conducted;
3. If high risk indicated, examination of relevant information and documents and physical inspection of goods shall be conducted.

After examination is undertaken by customs officers and no offense is found, such a customs declaration shall be accepted and a declarant shall proceed to payment of customs duties.

### **Article 35 (New) Examination of Relevant Information and Documents**

Where the risk assessment indicates medium or higher risks, customs officers shall examine information provided in the customs declaration forms and supporting documents. If deemed necessary, customs officers may request a trader to provide additional relevant information such as documents concerning commercial transactions, financial transactions, and certificates of quality.

### **Article 36 (Amended) Physical Inspection of Goods**

Where the risk assessment indicates high risks, a physical inspection of goods shall be conducted as follows:

1. The customs officers shall conduct the physical inspection of goods in whole or in part, directly or by using equipment, tools and other technical methods while ensuring that the goods shall not be damaged or destroyed;
2. The customs officers shall conduct the physical inspection in the presence of the customs declarant at the customs border checkpoint, warehouse or a place designated by the Customs Administration, except in the cases specified in Article 38 of this law;
3. Goods such as vegetables, vaccines, or live animals which are difficult to store or other special goods shall be given priority for inspection;
4. In the event that a joint inspection of goods with other related agencies is required at customs border checkpoints, warehouses or places designated by the Customs Administration, Customs shall collaborate with such agencies to conduct a joint inspection in accordance with the roles, rights and responsibilities of each agency;
5. Where, in accordance with the terms of the arrangements between the customs administrations of Lao PDR and the customs administration of a neighboring country, a joint inspection is to be conducted, the physical inspection of goods at the Common Control Area shall be conducted in accordance with such arrangements;
6. The customs officers shall complete the physical inspection of goods within eight hours after the detailed customs declaration is lodged. For large and diverse goods which may cause difficulties in the inspection, the inspection shall be completed within two days. Where the goods need a special inspection for quality, sanitation and phytosanitary, animal health, food safety, or cultural objects shall comply with relevant laws and regulations;
7. Upon completion of the physical inspection of goods, the customs officer shall produce a record of the inspection, that shall include: the type of goods, quantity, weight, value, country of manufacture, means of transport, the date and place of the physical inspection of goods, before signing and recording his/her full name on the customs declaration form and/or release note;
8. Where the physical inspection indicates that the goods are not in accordance with the information stated in the detailed customs declaration form, or the declaration form may have been forged with the intention of duty evasion or fraud, the customs officer shall produce a record for use in a subsequent investigation or prosecution in accordance with this law and other relevant laws. Where the customs declarant is not satisfied with the results of the physical inspection in whole or in part, he/she may request the customs officer to re-conduct the physical inspection;
9. The inspection of the means of transport shall not impact the transfer of goods nor the import-export. The customs control and inspection shall be carried out in accordance with this law.

### **Article 37 (New) Places of Physical Inspection of goods**

The places of physical inspection of goods are as follows:

1. Customs border checkpoints, international airports, railway stations, post offices, river ports, dry ports, warehouses, special economic zones or other places designated by the

- Customs Administration as places for the import-export, transit, movement and storage of goods that are operated in accordance with the customs formalities;
2. Trade exhibitions;
  3. Construction sites;
  4. Production, processing and assembly places;
  5. A Common Control Area between the Customs Administration of the Lao PDR and the Customs Administration of the neighboring countries;
  6. Other places designated by the Customs Administration for conducting the physical inspection of goods.
- The relevant authorities and agencies shall provide appropriate facilities and places for customs officers to perform their duties in conducting the physical inspection of goods.

**Article 38 (New) Release of Goods from the Warehouse or Customs Border Checkpoint**

The release of goods from the warehouse or the customs border checkpoint shall be granted as follows:

1. Goods shall be released after the customs formalities are completed;
2. The customs declarant or the owner of the goods who has been prosecuted by the customs officers or officers of other relevant authorities for a customs offense shall be allowed to remove the goods from the warehouse or customs border checkpoint only after payment of the penalty or a guarantee issued by a bank or a financial institution to the Customs Administration;
3. Goods subject to inspection, analysis or evaluation by a competent authority before being allowed to be imported or exported shall be accompanied by a certificate confirming technical compliance issued by such an authority;
4. Perishable or degradable goods or non-commercial goods; agricultural products; live animals; goods used in case of emergency; goods used for the purpose of the national defense and security; goods of diplomats, legal or natural persons with privileges may be released prior to the customs declaration, subject to completion of the customs guarantee procedures as provided for in Article 41 of this law.

**Article 39 (New) Physical Inspection of Goods in the Absence of the Owner or Customs Declarant**

Customs officers have authority to carry out the physical inspection of goods in the absence of the owner or customs declarant in any of the following situations:

1. Protect national security;
2. Protect health and the environment;
3. When the goods are suspected to be illegal;
4. Where the customs declarant does not comply with the customs formalities at a customs border checkpoint within 30 days of the arrival of the goods;
5. Other situations provided for by the laws.

The physical inspection of goods in the absence of the owner or the customs declarant shall be conducted in one or more of the following ways:

1. Inspection by an X-ray machine;
2. Inspection by technical equipment or other means available to the Customs Administration;
3. Inspection jointly with other relevant authorities operating at the customs border checkpoint such as transport and warehouse operators, in which the inspection result shall be signed by the relevant parties involved in such an inspection.

**Article 40 (Amended) Payment of Customs Duties**

Once the customs declaration is accepted by customs officers, the customs declarant shall immediately pay the respective customs duties in Lao Kip (LAK) in full.



After the customs declarant has completed the payment of the customs duties through the banking system, customs officers or their agents shall issue an electronic or paper receipt to confirm that the customs declarant has paid in accordance with the law.

#### **Article 41 (Amended) Security to Release Goods or Non-commercial Goods from Warehouses or Customs Border Checkpoints**

Security to release goods from a warehouse or a customs border checkpoint before the customs declaration is complete and/or the payment of customs duties is made shall be subject to the following:

1. The customs declarant shall complete a security request form and submit to the customs officers for consideration;
2. Security can be in the form of cash or a guarantee issued by a bank, financial institution or other legal entity. The amount of the security shall be equal to the amount of the customs duties payable by the customs declarant;
3. The customs declarant shall complete a detailed customs declaration within thirty days from the date of the release of the goods from the warehouse or the customs border checkpoint;
4. When discharging the security, the Customs Administration at each level shall take into consideration the customs declaration value, classification of goods and other information declared in the initial customs declaration form for the basis of calculating the customs duties. The exchange rate and tariff rate shall be determined at the rate on the date on which the security is discharged. The cash or other security shall be returned to the customs declarant within five working days together with the written decision by the head of the customs border checkpoint confirming the discharge of the security;
5. In circumstances where the importer has applied for the Government's incentives in respect to the goods they are seeking to import, the date for the commencement of the thirty days within which to complete a detailed customs declaration, is the date that the competent authorities approve the importation plan in accordance with the investment promotion law. Where the customs declarant is unable to fulfil the customs declaration within this time, he/she shall be subject to fine of zero point ten percent (0.10%) of the customs duties per day from the due date;
6. Government organizations, international organizations, non-governmental organizations may furnish a security in a form of an official letter of guarantee in order to release the goods from the warehouse or the customs border checkpoint prior to the completion of a detailed customs declaration. Failure to complete the detailed customs declaration in a timely manner may result in administrative or legal actions.

### **Chapter 4 Customs Declarant**

#### **Article 42 (New) Customs Declarant**

Customs declarant is a natural or legal person or organization, customs broker or representative for and on behalf of another person with a letter of authority, including a general customs declarant and a customs broker, authorized to undertake a customs declaration.

#### **Article 43 (New) General Customs Declarant**

A general customs declarant is a natural or legal person or organization that owns the goods or non-commercial goods, or any person authorized by the owner of the goods or non-commercial goods.

#### **Article 44 (Amended) Customs Brokers**

A Customs broker is a legal person authorized by the Customs Administration to undertake a customs declaration on behalf of the owner of the goods or non-commercial goods.

Ministry of Finance shall issue regulations to manage customs brokers.

#### **Article 45 (Amended) Responsibilities of Customs Declarant**

A customs declarant shall undertake the following to:

1. Carry out customs declarations at customs border checkpoints and/or other places designated by the Customs Administration throughout the country;
2. Accurately declare goods and submit all relevant documents at the Customs Administration;
3. Pay customs duties correctly, completely and on time in accordance with the law;
4. Cooperate with the customs officers in managing, monitoring, and inspecting the importation and exportation of goods or non-commercial goods;
5. Comply with the regulations on the declaration of goods or non-commercial goods, the filing of customs documents, payment of customs duties, and removal of goods or non-commercial goods from the warehouse or the customs border checkpoint on behalf of the owner of the goods or non-commercial goods;
6. Have access to information, laws and regulations on the importation and exportation, and international transit of goods or non-commercial goods;
7. Have the right to request for amendment of information and the detailed customs declaration form;
8. Have the right to request to provide a security to release the goods or non-commercial goods from the warehouse or the customs border checkpoint prior to submitting the detailed customs declaration and/or paying customs duties;

The authorized persons and the customs brokers shall act within the scope of assignment or as specified in the contract.

Where the owner of the goods or non-commercial goods provides inaccurate or incomplete information or evidence to the customs declarant, he/she shall be liable before the law.

## **Chapter 5 Authorized Economic Operator (AEO)**

#### **Article 46 (New) Authorized Economic Operator Requirements**

An AEO shall satisfy the following requirements to:

1. Be an enterprise registered in accordance with the law;
2. Solely carry out business related to import-export, customs brokerage, warehousing, freight, port, international airport, and logistics services, and manufacturing and distribution of goods or non-commercial goods;
3. Comply with this law and other relevant laws fully;
4. Establish and maintain a security system for the protection of company information, personnel, transportation, storage, office buildings; and the capacity to respond to an emergency;
5. Be no record against the enterprise of having committed or being convicted of a customs offense during the three years prior to applying to be an AEO;

Ministry of Finance shall issue regulations to manage AEOs.

#### **Article 47 (New) Privileges of AEO**

An AEO is entitled to benefit from the following privileges:

1. Exemption from the examination of customs declarations, supporting documents and the physical inspection of goods while carrying out the customs formalities, unless there is information that indicates there is a violation of customs formalities;
2. Obtaining customs approval for the release of goods from the warehouse or the customs border checkpoint immediately, even in the event of incomplete customs documentation. Nevertheless, the customs declarant shall provide the complete customs documentation to customs officers and shall pay customs duties within thirty days from the date of the release of the goods;
3. May remove the goods from the warehouse or the customs border checkpoints outside official working hours;
4. Obtain immediate release of goods or non-commercial goods via the provision of a security through a letter of guarantee.

Lao and foreign AEOs shall benefit from the privileges under the Mutual Recognition Arrangements between the two countries' customs administrations.

#### **Article 48 (New) Responsibilities of AEO**

An AEO has the following responsibilities to:

1. Ensure compliance with this law and other related laws;
2. Appoint a person or unit to be responsible for liaising and coordinating with the Customs Administration;
3. Provide information and documents to customs officers as requested;
4. Conduct financial transactions through the commercial banking system;
5. Provide training on customs formalities, the delivery of goods and other transactions to relevant staff;
6. Cooperate and facilitate customs officers in their inspection of offices, warehouses and security systems.

## **Chapter 6 Risk Management**

#### **Article 49 (New) Customs Risk**

Customs risk is the potential violation of Law on Customs relating to the import-export, transit, movement, storage of goods or non-commercial goods, means of transport and passengers through customs border checkpoints.

#### **Article 50 (Amended) Customs Risk Management**

Customs risk management is the procedure and measures used by the Customs Administration to identify, evaluate and classify risks as a basis for the effective allocation of resources for the control, monitoring, inspection and facilitation of other customs actions.

The Customs Administration shall manage customs risks as follow:

1. Apply risk management to decide upon the control, monitoring, inspection of goods, means of transport and passengers in order to suppress the commission of customs offenses;
2. Collect and analyze information, evaluate compliance with the law, to determine conditions for the categorization of risks in order to put in place appropriate measures for customs control;
3. Establish and maintain an information communication technology system to gather and evaluate information for the purpose of risk management.

Ministry of Finance shall issue regulations on customs risk management.

### **Article 51 (Amended) Control and Inspection of Personal Effects of Passengers**

Articles carried by passengers entering and exiting through customs border checkpoints by road, rail, waterway and air shall be subject to customs control. If the personal effects have a value not exceeding the prescribed threshold, it is not necessary to declare to customs officers but the passengers shall follow the prescribed route.

Passengers carrying articles exceeding the prescribed threshold shall declare either orally or in writing to customs officers and shall follow the prescribed route.

Passengers entering and leaving Lao PDR with cash, valuable effects or Bearer Negotiable Instruments (BNIs) worth more than one hundred million Lao Kip (LAK) or equivalent value shall declare to customs officers at the customs border checkpoints by completing the printed form designated by the Customs Administration.

Antiquities and cultural objects may be imported and exported with the permission of the relevant authorities and shall be declared to customs officers at the customs border checkpoints.

### **Article 52 (Amended) Control of Postal Traffic, and Goods Traded Online or Other Intermediary Means**

Parcels, mailbags, or goods that are traded online or through other intermediary means of import-export or transit, shall be subject to customs control, which shall conclude upon the completion of the customs formalities.

Legal persons operating the business of delivery and distribution of parcels, mailbags, or goods may undertake customs declaration on behalf of the owner of such items as provided for under this law.

Ministry of Finance shall coordinate with other relevant authorities to issue regulations for the management of postal traffic, and goods traded online or other intermediary means.

### **Article 53 (Amended) Control of Personal Vehicles through Customs Border Checkpoints**

Persons who intend to bring temporarily personal vehicles into and out of Lao PDR for the purpose of leisure or business trip shall comply with customs formalities, regulations of other relevant authorities and any agreements or protocols to which Lao PDR is a Party in accordance with the following:

1. Presentation of proof that the vehicle has been registered;
2. The information relating to the vehicle shall be declared in detailed to customs officers or submitted via the electronic vehicle control system in order to complete customs formalities;
3. The temporarily authorized vehicle may enter or exit Lao PDR for the permitted period. In the event the vehicle fails to re-enter or exit within the permitted period at the designated customs border checkpoints, penalties shall apply;
4. Such a vehicle is prohibited from being sold, gifted, transferred, pawned, pledged, guaranteed or the license plate removed.

Where there is an intention to apply for the extension of the permission to use the vehicle in Lao PDR, the requisite documents and the vehicle shall be presented at the nearest Customs office no later than five days prior to the expiration of the permission.

### **Article 54 (New) Technical Inspection of Goods and Means of Transport**

Goods and means of transport which have special characteristics shall be subject to technical inspection and certified by the competent authorities.

Inspection of such goods and means of transport shall be carried out as follow:

1. Customs officers shall first inspect goods and means of transport within their geographical area of responsibility. If technical inspection of quantity, health, phytosanitary and animal health, food safety, or culture is deemed necessary, customs

officers shall refer to the relevant authorities to undertake the technical inspection and certification in order to authorize the release;

2. Goods subject to a technical inspection shall be stored at the customs border checkpoint until the customs formalities are completed. If the goods are permitted to be taken to another place for the technical inspection in accordance with the law or if the owner of the goods is allowed to store the goods at another place to prevent their loss or damage, such a place shall be in accordance with the conditions specified by and under the control of the customs officers until the customs formalities are completed;
3. The relevant authority in charge of the technical inspection shall report the inspection results to the customs officers within two working days after concluding the inspection.

The Customs Administration, in coordination with the relevant authorities, should ensure the technical inspection is conducted in a timely manner to facilitate a prompt release of goods and means of transport.

#### **Article 55 (New) Control and Inspection of Goods or Non-Commercial Goods in Passenger Transportation**

The control and inspection of goods or non-commercial goods in passenger transportation shall be carried out as follows:

1. Items required for the use of the passenger transportation which passes through the customs border checkpoint are not subject to customs declaration but may be subject to the control, monitoring and inspection by customs officers;
2. Goods conveyed on board the in-bound passenger transportation shall be subject to the customs formalities as applied to imported goods;
3. Goods supplied to serve passengers on out-bound or transit passenger transportation shall be subject to the customs formalities as applied to exported goods.

#### **Article 56 (New) Control, Monitoring and Inspection of Goods Traded or Exchanged by Border Residents**

Goods traded or exchanged by border residents are the goods used to sustain daily life or for supporting economic production by the population living along borders that Lao PDR shares with neighboring countries;

Goods traded or exchanged by border residents shall be subject to the control, monitoring and inspection by customs officers; in the absence of customs officers being stationed in such an area, the relevant government authorities stationed there shall be in charge of monitoring and inspection in accordance with this law.

Ministry of Finance shall issue specific regulations on the goods traded or exchanged by border residents.

## **Chapter 7 Restricted and Prohibited Goods**

#### **Article 57 (Amended) Restricted Goods**

Restricted goods are the goods specified in the relevant laws for reasons of social security, national security, sanitation, phytosanitary and animal health, environmental protection and other reasons which shall be subject to customs control.

The restricted goods can be imported-exported, subject to transit, stored and moved only with the permission of the Government or the relevant authorities as stipulated in the law.

### **Article 58 Prohibited Goods**

All types of goods that are defined in the law as prohibited goods, such as firearms, narcotics, psychotropic substances and hazardous chemicals are not allowed to be imported-exported, subject to transit, moved, traded or possessed.

## **Chapter 8 Intellectual Property Rights Protection Measures**

### **Article 59 (Amended) Intellectual Property Rights Protection Measures**

Where the intellectual property rights holder has reliable information that the imported-exported or transited goods infringe his/her intellectual property rights, the rights holder can submit an application form to customs officers requesting them to conduct an inspection and temporary seizure of the goods.

Where customs officers have information about an infringement of intellectual property rights, customs officers can seize the goods and pursue a prosecution in accordance with the law.

### **Article 60 (Amended) Enforcement of Intellectual Property Rights Protection Measures**

The enforcement of intellectual property rights protection measures shall be as follows:

1. Customs officers may temporarily suspend the conduct of customs formalities in respect to goods which are suspected of infringing intellectual property rights if customs officers receive a written request from the rights holder or his/her authorized representative together with evidence of the suspected infringement and a security deposit of cash or a guarantee by a bank or other financial institution, to compensate for any potential loss in the event there was no infringement of the intellectual property rights;
2. The exercise of temporary detainment measures by customs officers on import-export goods that are suspected of infringing intellectual property rights as defined in this law, do not apply to humanitarian aid, personal items, privileged goods, personal bags, gifts, charitable non-commercial goods which are subject to a duty exemption.

Ministry of Finance, in coordination with the relevant ministries, shall issue regulations on intellectual property rights protection measures.

## **PART III TRANSIT AND MOVEMENT OF GOODS**

### **Chapter 1 Customs Transit**

#### **Article 61 (New) Customs Transit**

Customs transit is the movement of goods, means of transport, and containers of goods from a customs office of departure to a customs office of destination or a place designated by the Customs Administration.

Customs transit may involve transshipment from an inbound to an outbound means of transport and must comply with customs regulations that govern the transfer of goods within containers, vehicles and trailers, and occur at a customs border checkpoint or another place designated by the Customs Administration.

There are two types of Customs Transit:

#### **A. National Customs Transit**

National Customs Transit is the movement of goods, means of transport, and containers under the control of the Customs Administration from one customs border checkpoint to another customs border checkpoint within the customs territory without crossing a border in the following manner:

1. The movement of goods to be imported from the customs border checkpoint of arrival to another customs checkpoint within the customs territory for the completion of importation customs formalities;
2. The movement of goods to be exported from a customs checkpoint in the customs territory where exportation customs formalities have been completed, to a customs border checkpoint for departure;
3. The movement of goods from the customs border checkpoint of arrival to a customs border checkpoint of departure or another customs checkpoint, in order to store in a warehouse pending the completion of importation or exportation customs formalities;
4. The movement of goods between two customs checkpoints within the customs territory.

#### **B. International Customs Transit**

International Customs Transit is the movement of goods, means of transport, and containers under the control of the Customs Administration from one country to another through the customs territory of Lao PDR where transshipment does not occur or in the event of transshipment, it occurs not more than twice.

Where a first transshipment occurs, the transshipment formalities shall be completed at the customs border checkpoint of arrival. Where a second transshipment occurs, the transshipment formalities shall be completed at the customs border checkpoint of departure.

International goods in transit shall be exempt from customs duties although service fees may be charged at the rates periodically set by the Government of Lao PDR.

#### **Article 62 (New) International Customs Transit Principles**

International customs transit shall observe the following principles:

1. The customs declarant, the transport operator or the agent shall present the customs transit documents to customs officers at the customs border checkpoint of arrival in the prescribed paper or electronic form;
2. The customs declarant, the transport operator or the agent shall provide a security equal to the amount which would be payable as customs duties if the goods in transit were

imported, such security may be provided by legal entities including legally recognized enterprises or associations;

3. Goods in transit shall be clearly marked as such and packed in a specific container with a customs seal or electronic seal or other devices, with the freight and container documents clearly indicating that they are “Cargo in Transit via Lao PDR to name of destination country”

#### **Article 63 (New) Customs Transit Service**

The customs transit service shall observe the following:

1. When applying for permission to conduct customs transit service operations, especially transshipment of means of transport (vehicles, trailers), legal entities of Lao nationality that are members of the Lao International Freight Forwarder Association are to be prioritized for consideration. Any permission will be granted in accordance with the selection criteria established by the Government of Lao PDR and documented in a signed contract with the Customs Administration;
2. The customs transit service provider shall act as a guarantor, in accordance with the regulations on border crossing and transit, Lao laws, and international conventions and treaties to which Lao PDR is a Party, for the temporary admission of the containers, packaging and means of transport which are registered locally or in another country. Ministry of Finance, in coordination with Ministry of Public Works and Transport, shall issue regulations on customs transit services and transshipment.

#### **Article 64 (New) Customs Transit Service Providers**

A customs transit service provider is a legal entity of Lao nationality, permitted by the Customs Administration, that arranges the customs declaration documents and delivery services at the customs border checkpoints in order to proceed with customs formalities on behalf of the owner or the transport operator of the goods.

A customs transit service provider must satisfy the following requirements and standards:

1. Be in possession of a business operating license issued by the competent authority;
2. Operate sufficient offices and staff to provide such a service;
3. Possess relevant professional expertise, and knowledge of the relevant laws;
4. Establish and maintain a modern IT system and equipment that interfaces with the IT system operating at the customs border checkpoint;
5. Fully comply with all tax obligations in accordance with the laws and relevant regulations.

Ministry of Finance, in coordination with the relevant authorities, shall issue regulations on the organization, operation and management of customs transit services.

#### **Article 65 (Amended) International Transit of Goods**

Natural or legal persons, or organizations operating the international transit of goods through the territory of Lao PDR shall comply with agreements, conventions and regulations as follows:

1. Obtain permission from the relevant authorities and the Customs Administration;
2. Provide a security in the form of a cheque or letter of guarantee from a bank, or other financial institution as specified in the regulations;
3. Submit customs declaration at the customs border checkpoint of arrival or departure in accordance with the regulations;
4. Ensure the means of transport are appropriate for the carriage of the goods and follow prescribed routes and timelines;



5. Ensure the international transit of goods is under the control of customs officers through the use of customs seals, or electronic seals, or other devices in order to prevent the transfer or sell of the goods within the country;
6. In the event of an accident or force majeure, the nearest customs office must be notified; and if there is to be any transfer of goods, permission must be obtained from customs officers;
7. If the goods are damaged by an accident and cannot be recovered, or they have an adverse impact on the environment, the transport operator is liable under the laws of Lao PDR.

In the event there is intelligence indicating a violation of the law, customs officers may conduct a physical inspection of the goods.

Ministry of Finance, in coordination with the relevant authorities, shall issue regulations on the management of international transit of goods.

#### **Article 66 (New) Transshipment of International Transit of Goods**

Transshipment of international transit of goods may be conducted by changing vehicles, trailers or containers at the customs border checkpoints of arrival or departure or a place designated by the Customs Administration.

Transshipment or transportation of goods not stipulated in this law shall not be considered as transshipment of international transit of goods.

#### **Article 67 (New) Cessation of International Transit of Goods**

The international transit of goods, including the requirement for security, shall cease when the goods depart Lao PDR as certified by customs officers at the customs border checkpoint of departure. The security shall be returned to the guarantor or the letter of guarantee discharged. The management of international transit means of transport is provided by specific regulations.

## **Chapter 2 Domestic Movement of Goods**

#### **Article 68 Management of Movement of Goods within the Customs Territory**

The movement of goods upon which customs duties have not been paid, duty free goods, goods imported under investment promotion schemes, or the movement of goods between customs warehouses, are subject to customs formalities.

A customs declarant who intends to move goods within the customs territory shall follow the routes designated by the Customs Administration, and upon arrival at the final destination, he/she shall inform customs officers in order that they may conduct customs formalities.

#### **Article 69 Movement of Goods outside of the Customs Territory**

Where it is not possible to move the goods within the customs territory of Lao PDR, the Customs Administration may allow the movement of the goods through the territory of another country with its agreement; such transit goods shall be exempt from customs duties. Such transportation of goods shall be accompanied by the respective customs documents.

## **Chapter 3**

### **Vessels Transporting Passengers or Goods along the Border Rivers**

#### **Article 70 (Amended) Control of Vessels for Transporting Passengers or Goods along the Border Rivers**

Lao or foreign vessels used for transporting passengers or goods along the border rivers shall be registered with the relevant authorities. When a vessel is arriving at or departing from a port, its operator shall notify customs officers at the place where the customs border checkpoint is located.

#### **Article 71 (Amended) Vessels Transporting Goods along the Border Rivers**

Lao or foreign passenger and goods transportation vessels, whether or not embarked with passengers or laden with goods, must always carry the vessel registration books and transportation documents in order to make them available for inspection by customs officers at any stage of a journey along the border rivers, or after docking at a port.

When a Lao vessel is sold, transferred, modified or ceases to operate, the vessel owner shall notify such an event to customs officers and the relevant authorities at the vessel registration location, within twenty days from the date of the sale, transfer, modification or cessation of operation.

The operation of passenger and goods transportation vessels along the border rivers shall be subject to the fees and docking service charges in accordance with the law and regulations of Lao PDR, or the relevant protocol of the Greater Mekong Sub-Region Countries.

**PART IV**  
**CUSTOMS WAREHOUSE REGIME AND CUSTOMS FREE ZONE**  
**MANAGEMENT**

**Chapter 1**  
**Customs Warehouse Regime**

**Article 72 (Amended) Customs Warehouse**

A customs warehouse is a location under the control of the Customs Administration for storing imported-exported goods for a certain period of time pending the completion of customs formalities and payment of any customs duties.

The customs warehouse regime includes the following:

1. Temporary storage warehouse;
2. Industry warehouse;
3. Specific warehouse;
4. Bonded warehouse;
5. Private warehouse.

Ministry of Finance, in coordination with the relevant authorities, shall issue regulations on the customs warehouse regime.

**Article 73 (New) Temporary Storage Warehouse**

A temporary storage warehouse is a place to store general goods at the customs border checkpoint or at a place designated by the Customs Administration after the goods arrive, for a maximum period of fifteen days, during which the import-export customs formalities must be completed. This period may be extended on one occasion for a further period not exceeding seven days with the permission of customs officers stationed at the temporary storage warehouse. Where the customs formalities cannot be completed within the extended period, consideration should be given to transferring the goods to an alternative warehouse within the customs warehouse regime as defined in this law.

**Article 74 (New) Industry Warehouse**

An industry warehouse is a place to store goods, raw materials, and other equipment within a factory's warehouse or a place designated by the Customs Administration, which are temporarily imported for manufacturing, assembling, repairing, processing, packaging or repairing for re-export, for a maximum period of one hundred and eighty days which may be extended on one occasion for a further period not exceeding one hundred and eighty days with the permission of customs officers stationed at the industry warehouse. Where this time period is exceeded, alternative customs control formalities may be followed.

**Article 75 (New) Specific Warehouse**

A specific warehouse is a place to store restricted goods or goods subject to specific customs control or quarantine, such as plants, live animals, degradable goods, high-risk and dangerous goods which required to be stored at a location that satisfies specific technical standards. The period for the storage of goods shall be in accordance with the laws and regulations of the relevant authorities.

**Article 76 (New) Bonded Warehouse**

A bonded warehouse is a place to store general goods located within a dry port or at a place designated by the Customs Administration after the goods arrive during which the import-export customs formalities must be completed. General goods may be stored in such

a warehouse for a maximum period of one hundred and eighty days which may be extended on one occasion for a further period not exceeding one hundred and eighty days with the permission of customs officers stationed at the bonded warehouse. Where this time period is exceeded, alternative customs control formalities may be followed.

Goods stored at a bonded warehouse may be repacked, relabeled, reassembled or disaggregated, and inspected for quality assurance, without altering the nature of the goods.

#### **Article 77 (New) Private Warehouse**

A private warehouse is a place authorized by the Customs Administration to solely store its owner's goods, and it is under the control of customs officers.

The goods may be stored for a maximum period of thirty days which may be extended on one occasion for a further period not exceeding thirty days with the permission of customs officers. Where the customs formalities cannot be completed within the extended period, consideration should be given to transferring the goods to an alternative warehouse within the customs warehouse regime as defined in this law.

#### **Article 78 (New) Customs Warehouse Operator Business**

Any natural or legal person or organization who intends to operate a warehouse business under the customs warehouse regime shall make a request in writing and obtain permission from Ministry of Finance and other relevant ministries in accordance with the regulations.

Ministry of Finance, in coordination with the relevant authorities, shall issue regulations on the process for the establishment, management, renewal, suspension and abolition of the customs warehouse regime.

#### **Article 79 (New) Customs Warehouse Operator Business Requirements**

A custom warehouse operator business shall:

1. Satisfy the Customs Administration that the location of customs warehouse operator business is necessary and that it is not located within the common control area under the agreement of the Greater Mekong Sub-region;
2. Ensure it maintains an efficient operation in order to facilitate trade and minimize any unreasonable additional costs caused to import-export operators;
3. Ensure the warehouse building has sufficient space for the temporary storage of goods and goods are properly managed in accordance with the customs warehouse management regulations, and there is an adequate working space for customs operations;
4. Ensure the construction of the customs warehouse complies with the technical standards approved by the relevant authorities.

#### **Article 80 (Amended) Customs Warehouse Management Regulations**

Customs officers may, if deemed necessary, examine the goods inventory in the warehouse at any time in accordance with the regulations.

Where the actual goods in the warehouse do not correspond to the goods inventory, the warehouse manager shall be liable in accordance with the law.

The movement of goods between customs warehouses shall be subject to customs officers' permission.

A customs warehouse operator shall use an accounting system interfaced with the customs management system.

### **Article 81 (New) Clearance of Goods Retained in Customs Warehouse**

The Customs Administration may subject the following goods retained in a custom warehouse to customs clearance procedures:

1. Unclaimed degradable goods;
2. Goods that exceed the authority to remain in a customs warehouse whether or not claimed;
3. Non-polluting goods where ownership has been relinquished to the State;
4. Restricted goods brought into the customs warehouse without the permission of the relevant authorities;
5. The Customs Administration has the right to auction and deduct any associated expenses, with the remainder of the money being paid to the State revenue.

In the case of polluting goods, the owner, the driver or the person assigned by the owner of the goods, shall remove the goods out of Lao PDR. In the event that the owner of the goods cannot be identified, customs officers shall cooperate with the customs warehouse operators and the relevant authorities in order to ensure the safe disposal of the goods.

## **Chapter 2 Duty Free Shops and Duty Free Zones**

### **Article 82 (Amended) Establishment of Duty Free Shops**

Duty free shops may be established to sell goods to outbound travelers. Such goods shall not be subject to the payment of customs duties to the extent that they are sold in accordance with this law.

Duty free shops may be established and operated at international airports, onboard international flights, at international land border crossings, international ports, international train stations and bus terminals, or in towns.

Ministry of Finance shall issue regulations on the establishment and management of duty free shops.

### **Article 83 (New) Operation of Duty Free Shops**

Legal entities licensed to operate duty free shops shall conduct their business in permitted areas or designated places, and in accordance with the standards as provided for in the regulations.

### **Article 84 (New) Termination of Duty Free Shop Operation**

The termination of a duty free shop operation may occur as follows:

1. Self-termination, which shall be notified in writing to Ministry of Finance no later than ninety days before the date of the termination of the business; or
2. Termination by order of a relevant authority.

After the termination of a duty free shop operation, the goods shall either be removed from Lao PDR within forty-five days or proceed with other customs formalities for the purpose of completing a detailed customs declaration within thirty days.

### **Article 85 (New) Duty Free Zones**

A duty free zone is an area or place designated by the government of Lao PDR to attract investment in manufacturing, processing, and assembly of goods. Goods imported or exported through a duty free zone shall not be subject to the payment of customs duties.

Ministry of Finance shall issue regulations on the management of duty free zones.

## **PART V**

### **TEMPORARY IMPORTATION AND EXPORTATION OF GOODS**

#### **Article 86 (Amended) Temporary Importation of Goods - General**

Goods may be temporarily imported for a period of time specified by the Customs Administration and shall be re-exported in the same quantity and state. This process may apply to the temporary importation of the following goods:

1. Heavy machinery, tools and equipment used for specific work;
2. Transport vehicles including trucks, trailers, and packaging including containers;
3. Items for education, health, culture, performances, exhibitions and experiments.

The goods mentioned in clauses 1 to 3 of this article shall be authorized or certified by the relevant authorities and shall not be subject to the payment of customs duties as provided for in this law.

The Customs Administration shall determine the temporary import time period in each case in accordance with the regulations issued by Ministry of Finance.

#### **Article 87 (Amended) Temporary Importation of Materials for Manufacturing, Processing, Assembly, Modification, Packaging or Repairing**

The temporary importation of materials, including containers and packaging materials for manufacturing, assembly, modification or repairing, or processing of finished or semi-finished products, and their re-export, may be permitted in accordance with the regulations of the relevant authorities, and not be subject to the payment of customs duties at the time of importation where the following are satisfied;

1. An import plan and/or production plan is presented to the Customs Administration;
2. Compliance with the relevant time period of the temporary importation regulations, in the event of an anticipated inability to meet the relevant time period, a request may be made to the Customs Administration to extend the time period;
3. A byproduct from the manufacturing, processing, assembly, modification, or a finished product, or a semi-finished product, where the quality does not meet the re-export requirements, is subject to the payment of customs duties. In the event a byproduct is unusable or has an adverse effect on health or the environment, a disposal committee shall be appointed.

#### **Article 88 (Amended) Importation or Exportation under the Investment Promotion Incentive Schemes**

Where the importation or exportation occurs in accordance with the State's investment promotion incentive schemes under the Law on Investment Promotion, which prioritizes activities or projects including those in special economic zones and other economic zones, customs incentives may be granted. A temporary importation of heavy machinery shall comply with this law and other applicable laws.

Ministry of Finance shall manage and implement an import plan for the goods and heavy machinery approved by the relevant authorities.

#### **Article 89 (Amended) Temporary Exportation of Goods**

Where there is a temporary exportation of goods, the re-importation of the goods must be in the same quantity and state. In the event that such goods are modified, augmented or added to, the value of the modification, augmentation or addition to the goods is subject to the payment of customs duties.

A temporary exportation of goods for the purposes of exhibition, experiment, research or other purposes abroad shall be subject to a detailed customs declaration. Where such exported goods are subject to the payment of customs export duties as specified in regulations, a security is required for temporary exportation.

Goods authorized for temporary exportation are not subject to the payment of customs export duties.

**Article 90 (Amended) Measures to Manage the Temporary Importation or Exportation of Goods**

The temporary importation or exportation of goods shall comply with the following measures:

1. Sign an undertaking with the Customs Administration;
2. The undertaking should identify that the goods must not be subject to the transfer of ownership, pawning, mortgage or guarantee, exchange, trade or unauthorized use. In the event of a breach of the undertaking, the importer/exporter will be liable to investigation. In the event of clearance for domestic use, the importer shall proceed with the detailed customs declaration and the payment of customs duties accordingly;
3. The re-importation of goods shall be in the same quantity and state. In the event that such goods are modified, augmented or added to, the value of the modification, augmentation or addition to the goods is subject to the payment of customs duties;
4. Where raw materials, minerals, equipment or components are imported for the manufacture of goods for exportation, such goods shall not be subject to the payment of customs duties. Where such goods are not exported nor cleared for domestic use, they are subject to the payment of customs duties accordingly.

## **PART VI**

### **EXEMPTION AND SUSPENSION OF CUSTOMS DUTIES**

#### **Chapter 1**

#### **Exemption and Suspension of Customs Duties for Diplomatic Missions and International Organizations**

##### **Article 91 (Amended) Importation of Non-Commercial Goods and Vehicles for Diplomatic Purposes**

The importation of non-commercial goods and vehicles for diplomatic purposes in accordance with the Vienna Convention on Diplomatic Relations, dated 18 April 1961, and certified by Ministry of Foreign Affairs of Lao PDR, shall be exempt or suspended from the imposition of customs duties.

Diplomats and consular officers are entitled to the following special treatment or privileges:

1. The privileges set forth in this law including the special treatment or privileges relating to customs declarations and the inspection of goods;
2. Diplomatic bags of diplomats and consular officers are exempt from customs declarations and physical inspections. The luggage and vehicles of diplomats, consular officers or staff of international organizations, on mission in Lao PDR, who have been granted special treatment or privileges, shall be exempt from physical inspections;
3. Where customs officers have information and evidence indicating that the diplomatic bag of a diplomat or consular officer is being used inconsistently with the purposes set out in the Vienna Convention on Diplomatic Relations to which Lao PDR is a Party, or the luggage or vehicles of diplomats contained prohibited items for import or export that are not provided for within the special treatment or privileges, customs officers may exercise such measures as stipulated in the law;
4. Private vehicles of diplomats and consular officers, on mission in Lao PDR, may be used in Lao PDR for a maximum period of three years which can be extended with the approval of Ministry of Foreign Affairs.

##### **Article 92 (Amended) Importation of Non-Commercial Goods and Vehicles for the Use of International Organizations**

The importation of non-commercial goods and vehicles for the use of international organizations or non-governmental organizations, or foreign experts working on projects with the approval or permission of Ministry of Foreign Affairs of Lao PDR, shall be exempt or suspended from the imposition of customs duties.

Private vehicles of staff of international organizations stationed in Lao PDR may be used in Lao PDR for a maximum period of two years which can be extended with the approval of Ministry of Foreign Affairs.

##### **Article 93 Cessation of Duty Exemption and Suspension**

Upon the completion of missions or projects in Lao PDR, the non-commercial goods and vehicles of the diplomats, staff of international organizations, non-governmental organizations or foreign experts working on projects which are exempt from customs duties, shall be re-exported. In the event of clearance for domestic use, they are subject to the payment of customs duties accordingly.



## **Chapter 2**

### **Exemption of Customs Duties**

#### **Article 94 (Amended) Exemption of Customs Duties**

The following imported goods are subject to exemption of customs duties:

1. Passenger personal effects;
2. Used personal effects and certain items during relocation, and gifts of delegations from missions abroad;
3. Goods or non-commercial goods provided through international assistance grants or loans to the Government;
4. Non-commercial goods required for education, health, and scientific research, or samples of such goods, or religious items;
5. Specialized equipment required for national defense and security;
6. Plant varieties, animal breeds, semen, animal vaccines and other items as specified in Article 100 of this law.

Imported goods worth no more than 1,500,000 LAK (one million five hundred thousand LAK) are exempt from customs duties.

In the event of necessity and urgency, force majeure or natural disasters such as storms, epidemics, floods, droughts, earthquakes, fires and other events that may cause significant damage, or for regional or international integration and connectivity infrastructure projects, the government may propose to the Standing Committee of the National Assembly that goods required for such purposes are exempt from customs duties.

#### **Article 95 (Amended) Exemption of Customs Duties for Passenger Personal Effects**

Passengers entering Lao PDR utilizing passports shall be exempt from customs duties as follows:

1. Cash, precious objects and bearer negotiable instruments worth no more than 100,000,000 LAK (one hundred million LAK) or equivalent in other currencies;
2. Any alcoholic beverage other than beer or wine not exceeding two liters, or any beer not exceeding five liters or any wine not exceeding three liters;
3. Any cigarettes not exceeding one carton (200 cigarettes) or cigars not exceeding fifty cigars or tobacco leaves not exceeding 250 grams;
4. Perfume or perfume constituent ingredients not exceeding one item each.

#### **Article 96 (Amended) Exemption of Customs Duties for the Used Personal Effects, Certain Items during Relocation**

Certain items, including gifts given to Lao delegates abroad, in the possession of Lao students, civil servants and Government representatives returning from having completed their time abroad, and foreigners intending to relocate permanently to Lao PDR, may be exempt from customs duties as follows:

1. Non-commercial goods of certain items or in certain quantities;
2. Necessary items for household use;
3. Objects received from an inheritance.

Vehicles, nonetheless, may be exempt from customs duties as provided for in the regulations.

#### **Article 97 (Amended) Exemption of Customs Duties for Goods Provided Through International Assistance Grants or Loans to the Government**

The importation of goods provided through international assistance grants to the Government under agreements and/or arrangements may be exempt from customs duties.

The importation of materials, vehicles and other items provided through international assistance loans to the Government may be exempt from customs duties in accordance with the terms of the agreement between the Government and the lender on a case-by-case basis.

Humanitarian aid or relief supplies required for addressing natural disasters and epidemics shall be exempt from customs duties as approved by the Government.

Ministry of Finance shall issue regulations governing the exemption of customs duties for goods provided through international assistance grants or loans.

**Article 98 Exemption of Customs Duties on Non-commercial Goods Required for Education, Health, Scientific Research, Samples of Such Goods and Religious Items**

The importation of non-commercial goods shall be exempt from customs duties as follows:

1. Items required for education, health, scientific research, or samples of goods as certified by the relevant authorities;
2. Religious items such as contemporary Buddha artefacts, worship items, essential materials or items required for a religious ceremonial performance certified by the competent authorities, and subject to the consent of the Information, Culture and Tourism Authority.

**Article 99 (Amended) Exemption of Customs Duties on Specialized Equipment Required for National Defense and Security**

Materials, weapons, equipment and specialized vehicles imported for the purpose of national defense and public security, as certified and approved by Ministry of Defense or Ministry of Public Security, may be exempt from customs duties.

**Article 100 (New) Exemption of Customs Duties on Plant Varieties, Animal Breeds, Semen, and Animal Vaccines**

The importation of plant varieties, animal breeds, semen, animal vaccines, veterinary drugs, raw materials required for producing feedstock, agricultural laboratory equipment and tools that cannot be produced domestically and are not for resale at the time of importation, may be exempt from customs duties with the permission of the Agriculture and Forestry Authority and other relevant authorities.

**Article 101 (Amended) Exemption of Customs Duties on Export**

The exportation of agricultural products, as a result of production, cultivation and husbandry, industrial goods that have been processed or processed into finished products, and handicraft products, may be exempt from export customs duties, apart from those products periodically identified in specific regulations.

## **PART VII**

### **REPAYMENT OF CUSTOMS DUTIES**

#### **Article 102 (New) Repayment of Customs Duties**

The repayment of customs duties to a customs declarant shall be made in the following cases:

1. Where an amount is overcharged as a result of an error in the assessment of customs value, determination of country of origin, or goods classification;
2. Where an amount is overcharged as a result of an error in the application of customs procedures;
3. Where customs duties have been paid on imported goods but such goods are re-exported on a reasonable basis;
4. Where customs duties have been paid in accordance with the pre-arrival declaration, but the goods do not arrive or the quantity of goods received is less than the amount stated within the pre-arrival declaration.

#### **Article 103 (New) Request for Repayment of Customs Duties**

A customs declarant who intends to request for the repayment of customs duties as specified in Article 102 of this law shall comply with the following procedures:

1. Submit a written request to the Customs Administration for the repayment of customs duties, together with the original and relevant documents and evidence, within sixty days from the date the customs duties payment was made;
2. Request either the repayment of customs duties or that the sum to be offset against customs duties payable on future import-export of goods.

The Customs Administration shall issue a decision for the repayment of customs duties to the applicant within ten working days of the request.

Ministry of Finance shall issue regulations and mechanisms on repayment of customs duties.

#### **Article 104 (New) Deferred Payment of Customs Duties**

The AEOs granted the benefit of deferred payment of customs duties shall pay customs duties within thirty days of the release of the goods from the warehouse or customs border checkpoint. In the event of a failure to pay by the due date, a fine of zero point ten percent (0.10%) of the payable customs duties shall be applied per day to the outstanding amount.

## **PART VIII POST CLEARANCE AUDIT AND APPEALS**

### **Chapter 1 Post Clearance Audit**

#### **Article 105 (Amended) Retention of Customs Documents**

A customs declarant shall retain the customs documents, such as the detailed customs declaration forms along with other relevant supporting documents and information, in paper and/or electronic form for a minimum of three years after the goods are released from the warehouse or the customs border checkpoint.

#### **Article 106 (Amended) Time Limit for Post Clearance Audit**

The Customs Administration shall conduct an audit of the detailed customs declaration forms or information, including other relevant supporting documents, within three years of the release of the goods from the warehouse or the customs border checkpoint.

#### **Article 107 (New) Places for Conducting Post Clearance Audit**

A post clearance audit may be conducted at customs offices or the premises of business operators.

#### **Article 108 Post Clearance Audit**

The post clearance audit shall be conducted as follows:

1. Review all information on the customs declaration including the goods that remain in the warehouse of the business operator;
2. Examine the supporting documents related to the import-export of the goods such as the customs valuation, the country of origin, the goods classification, payment statements, other financial information, accounts and any other relevant information of the business operator;
3. Temporarily seize or restrain all or part of the supporting documents, information or other evidential material held by the business operator during the conduct of the audit or an investigation;
4. The results of the audit shall be notified to the business operator within fifteen working days of the completion of the audit.

The relevant authorities and stakeholders shall co-operate in providing the business operator's information as requested by the customs officers.

#### **Article 109 (Amended) Procedure for Post Clearance Audit**

The customs officers shall conduct the post clearance audit in the following manner to:

1. Apply customs risk based approach to identify audit targets;
2. Collect and analyze the information on customs declaration forms;
3. Notify the business operator in writing, in advance, to prepare the information and evidence for the conduct of the audit;
4. Conduct the audit;
5. Summarize the results of the audit and take corrective action;
6. Notify the results of the post clearance audit to the business operator.

#### **Article 110 (New) Follow-up Actions to the Post Clearance Audit Results**

The follow-up actions to the post clearance audit results are as follows:

1. Where the information, documents, evidence and explanations of the business operator comply with the law, the Customs Administration shall accept the post clearance audit results within fifteen days of the completion of the audit;
2. If the information, documents, evidence and explanations of the business operator indicates non-compliance with the law, the Customs Administration shall apply either administrative measures or commence a prosecution according to the law.

## **Chapter 2**

### **Appeals and Remediation**

#### **Article 111 (Amended) Appeals**

A customs declarant has the right to appeal in writing against the certification or decision made by the Customs Administration regarding the determination of customs value, goods classification, country of origin, or other decision that the customs declarant considers unfair, within thirty days of the date of the certification or the decision complained on.

The appeal shall be submitted together with the original supporting documents and evidential materials to the Appeal Committee as provided for in Article 112 of this law.

#### **Article 112 (Amended) Appeal Committee**

The Appeal Committee consists of two levels as follows:

1. The Central Appeal Committee which shall be appointed by the Minister of Finance, and represented by the Director General of the Customs Department as the chairperson, and representatives from other departments of Ministry of Finance, and relevant Ministries and/or customs specialists, as members.
2. The Local Appeal Committees which shall be appointed by the Director General of the Customs Department, and represented by the Directors of the Provincial and Vientiane Capital Customs Offices as the chairpersons, and representatives from Provincial and Vientiane Capital Finance Departments, and relevant authorities and/or customs specialists from the international customs border checkpoints, as members.

#### **Article 113 (Amended) Procedures for Appeals and Remediation**

The procedures for an appeal of the determination of customs value, goods classification, country of origin, or other decision shall be as follows:

1. The Local Appeal Committee shall consider and determine the appeal and notify the applicant of the decision within ninety days of receipt of the request;
2. In case of dissatisfaction with the decision made by the Local Appeal Committee, the applicant has the right to submit the appeal to the Central Appeal Committee within fifteen working days from the date of receipt of such decision;
3. In case of dissatisfaction with the decision made by the Central Appeal Committee, the applicant has the right to submit the case to the People's Court within thirty days from the date of receipt of such decision. The decision made by the People's Court shall be final and enforced.

Ministry of Finance shall issue regulations on appeals and remediation.

## **PART IX**

### **CUSTOMS DATA AND DATABASE**

#### **Article 114 (New) Customs Statistics**

Customs statistics are statistical data on trade, the import-export value of goods through customs border checkpoints which are managed in two categories as general data and internal data.

Customs statistics shall be stored in paper or electronic form for ten years.

#### **Article 115 (New) Customs Statistics Database**

The customs statistical database stores data collected, compiled, analyzed, and evaluated in order to provide statistics in paper or electronic form for the use of customs, relevant authorities and public purposes.

The customs statistics database contains data on customs tariff nomenclature, revenue data, trade statistics, risk categorization, customs control and suppression.

#### **Article 116 (New) Development of a System and Customs Statistics Database**

The Customs Department is responsible for researching, creating and developing an efficient and effective management system and database for customs statistics.

The Customs Administration at each level shall coordinate with the relevant ministries, agencies and local authorities to exchange information and integrate internal and international information management systems in accordance with regulations.

#### **Article 117 (New) Access, Dissemination and Supply of Customs Statistics**

A natural or legal person or organization may access and use the general data that is officially published by Customs Administration.

The Customs Administration shall disseminate and provide customs statistics in accordance with regulations on trade statistics in various forms to the public on a regular basis.

Where internal data is requested, Customs Administration shall notify the applicant of the decision within five working days.

The fees for the supply of customs statistics are set out in specific regulations.

#### **Article 118 (New) Protection of Customs Statistics**

The Customs Administration shall establish a system to manage the security and protection of the confidentiality of customs statistics.

**PART X**  
**ORGANIZATION AND FUNCTIONS OF THE CUSTOMS**  
**ADMINISTRATION**

**Chapter 1**  
**Organization**

**Article 119 (Amended) Roles and Functions**

The Customs Administration is an organizational structure of the Ministry of Finance, which acts as a secretariat to the Minister of Finance and is responsible for administering all customs functions in a centralized and harmonized manner, including the delivery of all customs functions, internal audits, and to act as an investigative body, and implement the Law on Customs and other relevant laws.

**Article 120 (Amended) Organizational Structure of the Customs Administration**

The organizational structure of the Customs Administration is as follows:

1. The Customs Department is an organization under the Ministry of Finance which acts as a secretariat to the Ministry of Finance, and is responsible for the overall management of customs functions throughout the country;
2. The Provincial and Vientiane Capital Customs are organizations under the Customs Department which act as the secretariat to the Customs Department and the Provincial and Vientiane Capital Administrations and are responsible for the management of customs functions.

Ministry of Finance shall issue regulations on the organization and operation of the Customs Administration.

**Article 121 (Amended) Personnel Structure**

The personnel structure of the Customs Administration is as follows:

1. Customs Department:
  - Director General and Deputy Director General(s) of Customs Department;
  - Director and Deputy Director(s) of a Division;
  - Director and Deputy Director(s) of a Regional Investigation and Suppression Office;
  - Head and Deputy Head(s) of a Section;
  - Customs officers;
  - Technical officers.
2. Provincial and Vientiane Capital Customs
  - Director and Deputy Director(s) of a Provincial or the Vientiane Capital Customs Office;
  - Head and Deputy Head(s) of a Section;
  - Customs officers;
  - Technical officers.
- 2.1. Customs border checkpoints:
  - Chief and Deputy Chief(s) of an International Customs Checkpoint;
  - Head and Deputy Head(s) of a Section; Head and Deputy Head(s) of a Local Customs Checkpoint or a Traditional Customs Checkpoint;

- Customs officers;
  - Technical officers.
- 2.2. Customs offices at warehouses, special economic zones and other economic zones:
- Chief and Deputy Chief(s) of a Customs Office;
  - Customs officers;
  - Technical officers.

The determination of administrative positions, appointments, transfers, removals, rewards and disciplinary measures in respect to customs officers, shall be in compliance with the law and relevant regulations.

**Article 122 (Amended) Confidentiality**

The Customs Administration shall strictly maintain the confidentiality of Governmental information and personal information of natural or legal persons, or organizations, except as otherwise provided by law.

## **Chapter 2 Customs Officers**

**Article 123 (New) Customs Officers**

Customs officers are civil servants who have at least five years' experience in customs work, and meet the other requirements of article 124 of this law, appointed to work at a level within the Customs Administration. Such customs officers may be appointed to carry out investigation, inspection, prosecution and the performance of other duties in accordance with this law.

**Article 124 (Amended) Customs Officers' Requirements**

The customs officers shall satisfy the following requirements:

1. Have strong political qualities, revolutionary moral qualities, ethics, loyalty, serve the nation and the people and have integrity;
2. Be in possession of a college or higher diploma, have relevant competence, have proficiency in a foreign language, such as English, and have at least five years' experience in customs work;
3. Comply with the organization's rules and be able to perform duties assigned by the organization;
4. Be in good health.

**Article 125 (Amended) Customs Officers Powers**

Customs officers shall have the following powers to:

1. Carry out customs control and inspection of goods including monitoring of packaging, unpacking, handling of goods, packing, lifting, loading and unloading of goods, at customs border checkpoints or at a place designated by the Customs Administration;
2. Collect samples of goods from a customs declarant for analysis and research;
3. Compel a customs declarant to provide information, evidence and documents relating to the goods to ensure the accuracy of the goods classification, the country of origin and the customs value;
4. Order the owner or driver of a vehicle to follow a route at a time and place specified;
5. Investigate as prescribed in this law and the Law on Criminal Procedure;
6. Seize and retain goods and other relevant exhibits associated with customs offenses as specified in this law, the Law on Criminal Procedure or other relevant laws;



7. Enter a place of business or warehouse to inspect goods and related documents regarding the import-export of goods as provided for in this law;
8. Search premises or other places, means of transport and persons as specified in this law, the Law on Criminal Procedure and other relevant laws;
9. Be armed with weapons and carry tools and professional equipment as specified in the regulations when performing assigned duties;
10. Liaise and seek cooperation with local relevant authorities at all levels, the national defense force, the security forces, the public and any concerned entities, where necessary;
11. Exercise other powers as provided for in the law.

**Article 126 (Amended) Customs Officers' Duties**

Customs officers shall have the following duties to:

1. Strictly implement this law, other relevant laws and regulations;
2. Disseminate and provide guidance to the public, especially natural and legal persons, engaged in activities related to the import-export of goods;
3. Facilitate the import-export and goods in transit through prompt and fair service;
4. Collect customs duties for the State budget accurately, completely, transparently and in a timely manner;
5. Apply measures to combat customs evasion, smuggling and illicit trade;
6. Maintain the confidentiality of Governmental information and personal information of natural or legal persons, or organizations;
7. Liaise and seek cooperation with the relevant authorities stationed at border checkpoints;
8. Report regularly the results of the implementation of routine work to the organization to which he/she belongs;
9. Perform other duties as provided for in the law.

**Article 127 (New) Customs Investigation Agency Powers and Duties**

The Customs Investigation Agency shall have the following powers and duties to:

1. Carry out investigations and combat of all forms of illicit trade, control the movement of goods, conduct customs litigation and enforce measures against those who violate the law;
2. Monitor, inspect, control and command operations to combat customs evasion and smuggling within in its customs zone;
3. Carry out customs patrols, deploy forces, establish, analyze, research and select sources of intelligence, apply the principles of risk management, determine the mode of operation and control methods, and monitor, inspect, arrest, and seize the goods in all forms;
4. Search premises or other places, means of transport and persons as specified in this law, the Law on Criminal Procedure and other relevant laws;
5. Be armed with weapons and carry tools and professional equipment as specified in the regulations when performing assigned duties;
6. Make a record of the seizure, retention or storage of goods, and means of transport used in the commission of a customs offense, for the purpose of legal proceedings;
7. Open investigations, issue summonses and send invitations to natural or legal persons, or organizations as provided for in the law;
8. Compile the findings of the investigation and submit the case file to the Office of the People's Prosecutor for court proceedings as provided for in the law;
9. Liaise and seek cooperation with local relevant authorities at all levels, the national defense force, the security forces, the public and any concerned entities, where necessary;

10. Manage and use its budget, operational fund, money for sources of intelligence, vehicles, offices, equipment and modern tools, to support the investigation and combatting of illicit trade;
11. Report regularly the results of investigations and work to combat illicit trade to the Customs Department and the Provincial and Vientiane Capital Administrations;
12. Exercise powers and perform other duties as provided for in the law.

### **Chapter 3**

## **Customs Territory and Customs Zones**

#### **Article 128 Customs Territory**

The customs territory covers the entire geographical area of Lao PDR and provides the geographical scope for the performance of customs roles and functions. Customs officers may perform their duties outside the customs territory in accordance with any international conventions and agreements to which Lao PDR is a Party.

Within the customs territory, natural or legal persons, or organizations engaged in the business of import-export, transit, movement or storage of goods, regardless of nationality, shall comply with this law and other relevant laws and regulations.

#### **Article 129 (Amended) Customs Zones**

The Customs Administration and customs officers at each level may only undertake customs duties, such as controlling, monitoring and inspecting, within their specified customs zones.

Ministry of Finance shall issue regulations on customs zones.

#### **Article 130 Operations outside Customs Zones**

Where there is an ongoing surveillance of customs evasion or smuggling, with compelling evidence of fraud, customs officers may perform their duties outside of their customs zones throughout the customs territory, as provided for in Article 128 of this law.

## **PART XI**

### **RESPONSIBILITIES OF GOVERNMENT AGENCIES IN CUSTOMS MANAGEMENT**

#### **Article 131 (New) Responsibilities of the National Assembly**

The National Assembly is responsible for the following customs matters to:

1. Consider and approve the determination, change, repeal, abolition, exemption or reduction of customs duty rates as proposed by the Government;
2. Ratify international conventions on customs matters as proposed by the Government;
3. Monitor and oversee the implementation of this law;
4. Perform other responsibilities as provided for in the law.

#### **Article 132 (New) Responsibilities of the Provincial People's Councils**

The Provincial People's Councils are responsible for the following customs matters to:

1. Review and provide legal advice on draft laws, and to monitor and oversee the implementation of the Law on Customs within the scope of their responsibilities;
2. Encourage relevant authorities at the local level to undertake the collection of revenue into the state budget;
3. Perform other responsibilities as provided for in the law.

#### **Article 133 (New) Responsibilities of Government**

The Government is responsible for the following customs matters to:

1. Review and propose to the National Assembly recommendations for the determination, amendment, repeal, abolition, exemption or reduction of customs duty rates;
2. Propose for the accession to international conventions on customs matters;
3. Monitor and oversee the implementation of the Law on Customs;
4. Perform other responsibilities as provided for in the law.

#### **Article 134 (New) Responsibilities of Local Administrations**

Local administrations are responsible for the following matters to:

1. Provide political and ideological guidance to customs officers stationed in the local area to ensure the implementation of the Law on Customs and its regulations is mindful of the political context;
2. Facilitate and participate in the dissemination of the Law on Customs and its regulations in the local area thereby raising awareness to ensure common understanding, and full compliance;
3. Monitor, oversee, encourage and cooperate with the Customs Administration in the exercise of its powers and duties;
4. Perform other responsibilities as provided for in the law.

## **PART XII PROHIBITIONS**

### **Article 135 (New) General Prohibitions**

Natural or legal persons, or organizations are prohibited from engaging in the following:

1. Refusing to provide information on customs matters;
2. Aiding or abetting wrongdoing, or disguising, concealing, or protecting offenders, or impeding or obstructing customs operations;
3. Insulting, defaming, coercing, assaulting employees, civil servants, customs officers or customs declarants;
4. Other actions which are in violation of the law.

### **Article 136 (Amended) Prohibitions for Customs Officers**

Customs officers are prohibited from engaging in the following:

1. Disclosing confidential Governmental information or the personal information of customs declarants;
2. Impeding, falsifying documents, neglecting the performance of duties, ignoring or failing to be accountable for any assigned task;
3. The abuse of power, violence, coercion or bribery;
4. Aiding, abetting or protecting business operators who violate the law;
5. Using money collected from customs duties for personal enrichment;
6. Using or causing damage, loss or the embezzlement of exhibits from customs cases;
7. Other actions which are in violation of the law.

### **Article 137 (Amended) Prohibitions for Customs Declarants**

Customs declarants are prohibited from engaging in the following:

1. Falsifying information, signatures, stamps and customs declaration forms, or providing false information or documents to customs officers;
2. Aiding and abetting customs officers and/or the owner of the goods to falsify the customs declaration information in order to evade fiscal obligations;
3. Bribery or obstructing the performance of customs officer duties;
4. Insulting, coercing or assaulting customs officers;
5. The evasion of customs duties, concealing, or aiding and abetting business operators in evading customs duties or other obligations;
6. Altering or modifying information contained in the customs declaration form registered in the electronic customs clearance system, without the permission of customs officers;
7. Destroying information or evidence required for inspection or audit by customs officers;
8. Offering their customs declaration identification documents to others to use;
9. Disclosing their clients' confidential information that may affect the clients' business operations;
10. Other actions which are in violation of the law.

## **PART XIII OFFENSES AND CUSTOMS OFFENSE PROCEEDINGS**

### **Chapter 1 Customs Offenses**

#### **Article 138 (Amended) Customs Offenses**

A customs offense is any act or omission that violates this law, other laws or regulations, relating to the import-export, transit, movement or storage of goods.

#### **Article 139 (Amended) Types of Customs Offenses**

Customs offenses are divided into two categories: minor and serious offenses.

1. Minor offenses have three levels:
  - The first level;
  - The second level;
  - Third level.
2. Serious offenses have two levels:
  - The first level;
  - The second level.

#### **Article 140 (Amended) First Level of Minor Offenses**

The first level of minor offenses are as follows:

1. Failure of a vehicle temporarily admitted for tourism purposes to depart within the time prescribed;
2. Declaring inaccurate or incomplete information which has no impact on the assessment of customs duties;
3. Failure to provide documents requested by customs officers;
4. Refusal to cooperate with, or obstruct, the performance of customs officers' duties;
5. Movement of goods into or out of a warehouse, or loading and unloading goods from a means of transport, without permission;
6. Opening packaging, or re-packaging of goods, without permission;
7. Failure to import or export goods or a vehicle at the designated customs border checkpoints;
8. Destruction of customs materials such as customs seals, straps, electronic keys, electronic locks, warehouse keys and Global Positioning System (GPS) devices;
9. Removal of goods without having the appropriate accompanying documents as specified in the regulations;
10. Failure to attach the appropriate marks, Lao language labels, customs stamps, or reference numbers on packages or containers. Or, combining different goods into a single package;
11. Movement or transportation of goods that fail to follow the route prescribed by, or the transshipment of goods along a route without the permission of, customs officers;
12. Failure of a vehicle or heavy machinery that is temporarily imported to be re-exported within the time prescribed;
13. Using a vehicle that is not modified or altered to evade inspection by customs officers.

#### **Article 141 (Amended) Second Level of Minor Offenses**

The second level of minor offenses are as follows:

1. Declaring inaccurate or incomplete information, such as the goods classification, determination of country of origin, duty rates or customs valuation, which has an impact on the assessment of customs duties;
2. Declaring packages of goods which are not in accordance with the actual quantity, or declaring multiple units as one unit, or multiple types of goods as one type of goods, in order to evade customs duties;
3. Declaring the incorrect quantity of packages of goods which are subject to the suspension, exemption or reduction of customs duties;
4. Reducing or increasing the quantity of goods, or failure to declare the quantity of goods in a warehouse system;
5. Violating regulations on the import-export, movement and transit of goods;
6. Using a vehicle or goods which are temporarily imported, subject to suspension, exemption or benefitting from reduction of customs duties, otherwise than in accordance with the permission provided for the importation.

Goods, including vehicles, used in the commission of a customs offense, which are not restricted or prohibited, shall be returned to the owner after full payment of customs duties and fines.

#### **Article 142 (Amended) Third Level of Minor Offenses**

The third level of minor offenses are as follows:

1. When docking a vessel or landing an aircraft, or conducting transshipment of goods at a place other than a customs border checkpoint, fails to declare to customs officers;
2. Failure to undertake the import or export of non-restricted or non-prohibited goods through designated customs border checkpoints of Lao PDR, and/or failure to undertake customs formalities;
3. Concealment of goods, by using a means of transport or materials, with the intention to evade customs duties;
4. Storage or possession of goods without accompanying detailed customs declaration documentation for such goods.

Goods, including vehicles, used in the commission of a customs offense, which are not restricted or prohibited, shall be returned to the owner after full payment of customs duties and fines.

#### **Article 143 (Amended) First Level of Serious Offenses**

The first level of serious offenses are as follows:

1. The importation, exportation, movement, or possession of restricted goods without having undertaken customs formalities, or without the permission of the relevant authorities; such goods shall be forfeited to the State as provided for in the law;
2. Carrying cash, valuable effects or Bearer Negotiable Instruments (BNIs), exceeding the threshold prescribed by regulations, into and out of Lao PDR, having neither declared to customs officers at the customs border checkpoints nor obtained the permission of the Bank of Lao PDR; such items shall be seized as provided for in the law.

#### **Article 144 (Amended) Second Level of Serious Offenses**

The second level of serious offenses are: a first level serious offense being committed no fewer than three times; any evasion of customs duties where the value evaded is 100,000,000 LAK (one hundred million Lao Kip) or greater; an infringement of intellectual property rights; or, a falsification of customs documents, signatures and customs stamps.

The second level of serious offenses are criminal offenses that shall be prosecuted and punished as provided for in the Penal Code and other related laws.

### **Article 145 (Amended) Offenses involving Prohibited Goods**

When prohibited goods are discovered by customs officers, they have the power to restrain or seize the goods, including any means of transport used in the commission of the customs offense; and power to detain the person involved, produce a case record, and handover the accused, together with the exhibits, to the Office of People's Prosecutor for legal proceedings.

### **Article 146 Possession of Goods and Means of Transport**

A person who possesses illegal goods, or means of transport which carry such goods, shall be deemed to be responsible for such goods or means of transport.

A driver of any means of transport may be liable to customs and criminal proceedings in the event that any wrongdoing is the result of his/her actions.

## **Chapter 2 Customs Offense Proceedings**

### **Article 147 Record Regarding Seized Goods**

When a customs offense is discovered, customs officers have the power to seize goods and/or means of transport used in the commission of the customs offense, together with related documents for use as evidence for the purpose of prosecution.

A written record regarding the seizure of the goods shall be made immediately by at least two customs officers.

The record regarding seized goods shall be prepared in the presence of the accused and the accused shall be invited to read the record. Where the accused cannot read the record, a third person shall read the record out loud, and the accused shall sign it or put his/her fingerprint on the record.

In the event the accused refuses to sign or to put his/her fingerprint on it, a remark to that effect shall be written on the record. The record shall be made in three original copies, one to be used for the case file, another to be given to the accused and the other to be kept with the Customs Administration.

Where the accused cannot be found, and after the completion of the record, customs officers, within forty-eight hours, shall produce a notice and post it in front of customs offices or publish through the media. The notice shall require the owner of the goods to contact the Customs Administration within twenty-one days from the date of publication of the notice. If the owner of the goods does not contact the Customs Administration by the deadline, the goods shall be forfeited to the State with the approval of the Minister of Finance; if they are restricted or prohibited goods, they shall be subject to legal proceedings in accordance with the law.

### **Article 148 Statement Taking**

After the completion of the record on the seizure of goods, customs officers shall take a statement from the accused, and then produce a statement report.

The statement taking shall observe the following procedure:

1. A statement shall be taken immediately from the accused at the time of the seizure of the goods. Where the statement cannot be obtained immediately, a report shall be made together with reasons as to why a statement could not be taken;
2. Before taking a statement, customs officers shall notify the accused of the alleged violations and also explain his/her legal rights and obligations; when taking a statement, there shall be at least two customs officers present;
3. A statement shall be taken at a place determined by the Customs Administration;

4. When a statement is completed, the person who gave the statement shall read the contents of the statement; if that person cannot read, then a third person or the statement taker, shall read it out loud and the person who gave the statement shall sign it or put his/her fingerprint on it. If the person who gave the statement wishes to modify certain information, he/she shall initialize the changes or he/she shall put a fingerprint in front of the changes;
5. Where the person who gave the statement refuses to sign or put a fingerprint on the statement, the customs officers who are conducting the investigation shall comment to this effect at the end of the statement;
6. When taking statements from a suspect, or those involved in a case, customs officers shall not resort to the use of violence, coercion, intimidation or other measures prohibited by the law;
7. A statement shall be made in three original copies; one is used in the case file, another to be given to the accused and the other is kept by the customs officers.

#### **Article 149 (Amended) Storage of Exhibits**

Goods or means of transport seized and under the custody of customs officers, shall not be used, damaged, lost or embezzled. In the event of damage or loss, the customs officers concerned shall be responsible in accordance with the law.

Where the goods are perishable or degradable, or not suitable for storage, customs officers shall conduct an auction as provided for in the law. The proceeds from the sale shall be retained by the customs officers until the conclusion of any legal proceedings.

#### **Article 150 (Amended) Compromise Resolution**

Where the misconduct is not a criminal offense, customs officers may proceed to a compromise resolution with the agreement of the offender.

Within seven working days of the date of signing or fingerprinting of the record of the seizure of the goods, the offender shall present himself/herself at the Customs Administration to complete a compromise resolution. In the event that the offender fails to do so, customs officers shall produce a notice and post it in front of customs offices or publish through the media in order to remind the offender to come forward within twenty-one days from the date of publication of the notice. If such a period expires, the goods shall be forfeited to the State with the approval of the Minister of Finance, and if they are restricted or prohibited goods, the offender shall be subject to legal proceedings as provided for in the law.

Where the offender agrees to a compromise resolution, customs officers shall produce a compromise resolution record followed immediately by the full payment of custom duties and fines by the offender.

Where the offender is unable to complete an immediate full payment of customs duties and fines, he/she shall make a full payment no later than fifteen days from the date of the filing of the record. After payment has been made, the non-restricted or non-prohibited goods, as well as the means of transport, or the materials used in the commission of the customs offense, shall be returned to the owner.

#### **Article 151 Searches of Means of Transport and Persons**

A search of means of transport includes the search of all kinds of vehicles, vessels, ferries, ships, aircraft, trains or other means of transportation, where there is compelling evidence or a suspicion of goods being concealed or smuggled. A search can be conducted at any time and shall be in the presence of the owner of the means of transportation or its operator.

A search of a person shall be conducted in an appropriate location and shall be undertaken by customs officers of the same gender as the person being searched.



### **Article 152 Searches of Premises**

A search of a premise shall be conducted as follows:

1. A search warrant shall be obtained from the Office of the People's Prosecutor or the People's Court, except in circumstances where customs officers are in pursuit of suspected smugglers, or there is an ongoing offense being witnessed by the customs officers, or the requirement for a search is urgent. Such exceptional searches shall be reported to the Office of the People's Prosecutor or the People's Court within forty-eight hours of the search being completed;
2. Before and after a search, customs officers and other persons involved, shall demonstrate their integrity to the owners of the premises that are being searched;
3. The search shall be conducted in the presence of the owners of the premises, at least two witnesses and a representative of the local administration. When searching company and organization offices, searches shall be conducted in the presence of representatives of the premises or the concerned organizations;
4. Upon the completion of the search, a search report shall be produced and read out loud in the presence of the people involved, and signed or a fingerprint placed on it for the purpose of being used as evidence. The search report shall be made in four original copies; one to be attached to the case file, another to be given to the owner of the premises, another given to the local administration and the fourth to be kept by the customs officers.

## **Chapter 3 Resolving Customs Cases**

### **Article 153 (Amended) Resolving Customs Cases**

A customs case is resolved either when the goods are forfeited to the State, or there is a compromise resolution as provided for in Article 147 and 150 of this law, unless the misconduct is a criminal offense.

Where personnel of any organization at any level, or soldiers or police, are witness to an ongoing offense and there is an urgent need to make an arrest, or seize smuggled goods, and they do so, they shall immediately transfer the case together with any exhibits and other evidence to customs officers at the nearest customs office, in order for customs offense proceedings to be pursued as provided for in the law.

### **Article 154 (Amended) Fines and Proceeds from Sale of Confiscated Assets**

After the conclusion of the customs offense proceedings, the proceeds from fines and/or the sale of the confiscated assets, shall be transferred to the central State budget in accurate, complete and timely manner as provided for in the law.

### **Article 155 Mandatory Cooperation**

During customs investigations, or operations to combat smuggling, civil servants, soldiers, police officers and the general public, shall participate and cooperate when called upon to do so by customs officers.

## **Chapter 4 Submission of Customs Cases to Court**

### **Article 156 Submission of Customs Cases to Court**

The following customs cases shall be submitted to court:

1. Where no compromise resolution is reached;
2. Where there is a failure to comply with a compromise resolution;

3. Where prohibited goods are seized;
4. Where there is a failure to comply with a customs undertaking;
5. Where a customs offense is alleged to have been committed, and the value of any customs duties evaded is 100,000,000 LAK (one hundred million Lao Kip) or greater;
6. Other customs offenses as provided for in the law.

#### **Article 157 Case File Compilation**

The Customs Administration shall compile a case file for submission to the Office of People's Prosecutor or People's Court with jurisdiction to litigate in accordance with the law.

The case file shall consist of a submission application, a record regarding seized or restrained goods, an order opening an investigation, an investigation report, and any other required documents.

The contents of the submission application shall briefly indicate the alleged offense, the nature of the accusation, and identify the articles of the law that are said to be violated, and the intended purposes and substance of the proceedings.

The proceedings shall comply with the Law on Criminal Procedure or Law on Civil Procedure, and other relevant laws.

#### **Article 158 (Amended) Opening an Investigation**

The Customs Administration shall open a customs investigation where there is an allegation of a criminal offense as provided for in Articles 143 and 144 of this law, and other offenses as provided for in the Penal Code.

Where all necessary evidence has been obtained, customs officers shall submit the case file directly to the Office of People's Prosecutor without opening an investigation.

#### **Article 159 (Amended) Orders to Open Investigations**

The Director General of the Customs Department, the Directors of Provincial and Vientiane Capital Customs Offices, the Director of the Investigation and Suppression Division, or the Directors of Regional Investigation and Suppression Offices, may issue orders to open investigations within the scope of their authorization as provided for in this law and the Law on Criminal Procedure.

#### **Article 160 Evidence**

Customs officers shall ensure the following physical, documentary, and witness evidence is accurate, complete and objective:

1. Physical evidence refers to the exhibits such as goods, equipment, means of transport or other materials used in the commission of a custom offense, obtained during the seizure, or restraint of such items;
2. Documentary evidence refers to records contained within customs declaration formalities and supporting documents as provided for in Article 27 of this law, investigation reports, and other records such as accounting books, images and other documents associated with customs offenses;
3. Evidence from persons refers to the statements of accused, witnesses, the opinions of experts, and the statements of other individuals associated with customs offenses.

**PART XIV**  
**CUSTOMS MANAGEMENT AND AUDIT**

**Chapter 1**  
**Customs Management Organization**

**Article 161 (Amended) Customs Management Organization**

The Government centrally and uniformly administers customs activities throughout the country by mandating the Ministry of Finance to be in charge of the coordination with other line ministries and relevant local administrations.

The Customs Management Organization consists of:

1. The Ministry of Finance;
2. The Customs Department;
3. Provincial and Vientiane Capital Customs Offices;
  - 3.1. Customs border checkpoints;
  - 3.2. Customs offices in the warehouse system, at special economic zones and other economic zones.

The Ministry of Finance shall issue regulations on the powers and duties of customs offices in the warehouse system, at special economic zones and other economic zones.

**Article 162 (Amended) Powers and Duties of the Ministry of Finance**

In managing customs activities, the Ministry of Finance has the following powers and duties to:

1. Research, formulate policies, develop strategic plans, draft laws and other legislation related to customs matters for the Government to consider;
2. Develop plans, and issue regulations, decisions, orders and instructions on customs matters;
3. Disseminate policies, laws and other legislation on customs matters;
4. Approve strategic plans for the development of the Customs Administration;
5. Manage reserve funds for the repayment of customs duties and other finances;
6. Supervise, encourage, monitor and oversee the implementation of the law, and other legislation, and the performance of the Customs Administration's duties throughout the country;
7. Develop, train, up skill, manage and deploy customs personnel;
8. Appoint, transfer or demote the personnel of the Customs Administration, to the extent of the Ministry of Finance's authority, in coordination with the local administration;
9. Order the forfeiture of unclaimed goods or goods where the ownership has been relinquished;
10. Coordinate with the central authorities and local administrations in the implementation of the law and other legislation on customs matters;
11. Cooperate with foreign countries at the regional and international level on customs matters;
12. Report to the Government and the National Assembly on customs matters on a regular basis;
13. Exercise other powers and duties as provided for in the law.

**Article 163 (Amended) Powers and Duties of the Customs Department**

In managing customs matters, the Customs Department has the following powers and duties to:

1. Act as the secretariat to the Ministry of Finance in researching policies, strategic plans, laws and other legislation on customs matters;
2. Research, and issue decisions, orders, instructions and notices on the implementation of customs functions;
3. Disseminate policies, strategic plans, the law and other legislation on customs matters to the extent of its authority;
4. Develop strategic plans for the development of the Customs Administration for the Ministry of Finance to consider;
5. Assess applications for the establishment of customs warehouses and duty free shops for the Ministry of Finance to consider;
6. Lead, supervise, encourage, monitor and oversee the organizational, professional and operational functions of customs officers throughout the country;
7. Collect, compile, research, analyze, and provide statistics on the import-export of goods;
8. Develop, train, up skill, manage and deploy customs personnel;
9. Draft plans for training, placement, deployment, and to make proposals for the appointment, promotion, transfer or demotion, of customs personnel;
10. Research and resolve customs declarant appeals to the extent of its authority as provided for in the law;
11. Seize or restrain goods and means of transport, and to store exhibits related to customs offenses, as provided for in this law, the Law on Criminal Procedure and other relevant laws;
12. Search premises, other places, means of transport and persons as provided for in this law, the Law on Criminal Procedure and other relevant laws;
13. Enter places of business or warehouses to inspect goods, means of transport together with the related import-export documents;
14. Issue orders to open investigations, issue summonses, or send invitations to natural or legal persons, or organizations, as provided for in the law;
15. Carry out inspections, combat customs evasion and smuggling, conduct post clearance audits, and seek the resolution of customs cases;
16. Resolve customs cases after reaching compromise resolutions;
17. Investigate customs cases and submit case files to the Office of the People's Prosecutor for further proceedings;
18. Coordinate with central authorities and local administrations on customs matters;
19. Implement decisions, international conventions and agreements to which Lao PDR is a Party; to cooperate with foreign countries at the regional and international level on customs matters;
20. Report on customs operations to the Ministry of Finance on a regular basis;
21. Exercise other powers and duties as provided for in the law.

**Article 164 (Amended) Powers and Duties of Provincial and Vientiane Capital Customs Offices**

Provincial and Vientiane Capital Customs Offices have the following powers and duties to:

1. Act as the secretariat to the Customs Department in the implementation of policies, strategies and the management of customs operations to the extent of their authority as provided for in the law;
2. Disseminate the Law on Customs to raise awareness of natural or legal persons, or organizations to ensure common understanding, and full compliance;
3. Collect, compile, research, analyze, and provide statistics on the import-export of goods;

4. Lead, supervise, and audit the organizational, professional and operational functions of customs officers at customs border checkpoints, customs offices in the warehouse system, at special economic zones, and other economic zones, to the extent of their authority;
5. Develop customs revenue projection plans for the fiscal year to the extent of their authority, and submit such plans to the Customs Department;
6. Research and resolve customs declarant appeals to the extent of their authority as provided for in the law;
7. Carry out inspections, combat customs evasion and smuggling, conduct post clearance audits, and seek the resolution of customs cases in accordance with their delegated authority;
8. Investigate customs cases and submit case files to the Office of the People's Prosecutor for further proceedings in accordance with their delegated authority;
9. Coordinate with local administrations and other relevant authorities in order to carry out their functions;
10. Draft plans for training, placement, deployment, and to make proposals to the Customs Department for the appointment, demotion, transfer, and rotation of customs personnel to the extent of their authority;
11. Monitor, oversee and evaluate customs declaration compliance of natural or legal persons, or organizations with the Law on Customs, in order to make proposals for the provision to them of appropriate recognition;
12. Liaise and cooperate with the international community on customs matters in accordance with their delegated authority;
13. Report customs operation to the Customs Department and the Provincial and Vientiane Capital Administrations on a regular basis;
14. Exercise other powers and duties as provided for in the law.

#### **Article 165 Powers and Duties of the Customs Border Checkpoints**

In managing customs matters, customs border checkpoints have the following powers and duties to:

1. Act as the secretariat to the Customs Department, and the Provincial and Vientiane Capital Customs Offices, to disseminate and implement the law and other legislation on customs matters;
2. Develop and implement customs revenue collection plans for the fiscal year, including for the collection of such fees and service charges as projected to be realizable;
3. Collect customs duties, other finances, fees and service charges, as provided for in the law and regulations, and transfer them to the State budget in an accurate, complete, transparent and timely manner;
4. Supervise, monitor and oversee the organizational, professional and operational functions of customs officers at customs border checkpoints to the extent of their authority;
5. Carry out services, monitor and facilitate the inspection of imported-exported goods, including goods in transit, expeditiously and accurately in accordance with the law;
6. Research and resolve customs declarant appeals to the extent of their authority as provided for in the law;
7. Prevent violations of this law, other relevant laws and regulations, and to initiate the prosecution of any offenders to the extent of their authority;
8. Monitor and evaluate the compliance of customs declarants with the law and regulations on customs matters;
9. Collect, compile, research, analyze, and provide statistics on the import-export of goods;

10. Coordinate with other authorities and local administrations involved in the performance of their duties;
11. Report on customs operations to their superiors and relevant local administrations on a regular basis;
12. Exercise other powers and duties as provided for in the law or as assigned.

**Article 166 (Amendment) Powers and Duties of Local Administrations and Other Authorities**

Local administrations at all levels have the powers and duties to manage, monitor and oversee the performance of customs officer duties to the extent of their authority as provided for in the law.

Other authorities have the powers and duties to coordinate, cooperate and facilitate the performance of Customs Administration duties to the extent of their authority as provided for in the law.

## **Chapter 2 Oversight of Customs**

**Article 167 Customs Oversight Organizations**

Customs oversight organizations consist of internal oversight organizations and external oversight organizations.

1. Internal oversight organizations are: The Ministry of Finance, and the Inspection Department under the Ministry of Finance.
2. External oversight organizations are:
  - The National Assembly;
  - The Provincial People’s Councils;
  - The State Inspection and Anti-Corruption Authority;
  - The State Audit Organization;
  - Local Administrations at all levels, the Lao Front for National Development, mass organizations, civil society organizations, mass media and other concerned authorities to the extent of their mandates.

**Article 168 Power and Duty of Internal Oversight Organizations**

Internal oversight organizations have the power and duty to oversee the implementation of the law and regulations, and the performance of the duties and responsibilities of each level of the Customs Administration.

**Article 169 Power and Duty of External Oversight Organizations**

External oversight organizations have the power and duty to oversee the performance of customs officer duties to the extent of their jurisdiction, to improve the efficiency, transparency and fairness of customs operation.

**Article 170 Forms of Oversight**

The three forms of Customs Administration oversight are as follows:

1. Regular oversight is conducted on a routine basis within a specified time period, in accordance with an oversight plan;
2. Advance notice oversight is conducted, as deemed necessary and outside of the plan, for which an advance notice to the subject of the oversight must be served;
3. A spot oversight is conducted without advance notice to the subject of the oversight when time is of the essence.

The oversight of the Customs Administration shall comply fully with the law.

**PART XV**  
**INCENTIVES FOR OUTSTANDING PERFORMERS AND MEASURES**  
**AGAINST VIOLATORS**

**Chapter 1**  
**Incentives for Outstanding Performers**

**Article 171 (Amended) Recognition**

Customs officers, civil servants, soldiers, police and members of the general public who have contributed to customs matters by providing information, or assisting the direct or indirect arrest of violators of this law, may be recognized or given other incentives either in cash or in-kind, as provided for in regulations.

**Article 172 (Amended) Incentives for Business Operators and Customs Declarants**

Business operators or customs declarants who operate honestly in full compliance with the law, may be recognized and may benefit from expeditious customs formalities for importation or exportation.

**Chapter 2**  
**Measures against Violators**

**Article 173 (Amended) Measures against Violators**

In addition to being re-educated, warned, fined or subject to customs offense proceedings, a natural or legal person or organization who has violated this law, other laws and regulations relating to customs matters, shall be liable to pay any customs duties and other finances in full, the compensation for any damage caused by their actions, and be criminally prosecuted in accordance with the law.

**Article 174 Measures against Violating Customs Personnel**

Customs personnel who have violated this law causing no loss to customs revenues, shall be re-educated and warned.

Customs personnel who intentionally violate this law causing minor losses to customs revenue, shall be subject to disciplinary proceedings and liable to compensate for any such losses.

Customs personnel who, for personal gain, violate this law causing significant damage to the interests of the State, any group or individual, through the abuse of position, power or duties, or falsifying documents or receiving any bribes, shall be prosecuted in accordance with the law.

**Article 175 (New) Fines**

A natural or legal person or organization who commits a customs offense which is not considered a criminal offense, shall be fined as follows:

1. The first level of minor offenses:
  - Offenses under Article 140, clause 1, of this law, shall be subject to a fine of 100,000 LAK (one hundred thousand Lao Kip) per day, unless there are reasonable grounds and a valid certification by the relevant authorities;
  - Offenses under Article 140, clauses 2, 3 and 4, of this law, which constitute a second offense, shall be subject to a fine of 1,000,000 LAK (one million Lao Kip);

- Offenses under Article 140, clauses 5 and 6, of this law, shall be subject to a fine of 1,000,000 LAK (one million Lao Kip);
  - Offenses under Article 140, clauses 7 and 8, of this law, shall be subject to a fine of 2,000,000 LAK (two million Lao Kip);
  - Offenses under Article 140, clauses 9 and 10, of this law, shall be subject to a fine of 3,000,000 LAK (three million Lao Kip);
  - Offenses under Article 140, clause 11, of this law, shall be subject to a fine of 5,000,000 LAK (five million Lao Kip);
  - Offenses under Article 140, clause 12, of this law, shall be subject to a fine of zero point fifty percent (0.50%) of the value of the goods declared at the time of importation;
  - Offenses under Article 140, clause 13, of this law, shall be subject to a fine of ten percent (10%) of the value of the smuggled goods.
2. Second level minor offenses, under Article 141 of this law, shall be subject to a fine of one hundred percent (100%) of the customs duties based on the normal rates. In the event of a second offense, a fine of one hundred and fifty percent (150%) of the customs duties based on the normal rates shall be imposed;
  3. Third level minor offenses, under Article 142 of this law, shall be subject to a fine of one hundred and fifty percent (150%) of the customs duties based on the normal rates. In the event of a second offense, a fine of two hundred percent (200%) of the customs duties based on the normal rates shall be imposed;
  4. First level serious offenses, under Article 143 of this law, shall be subject to a fine of fifty percent (50%) of the value of the goods. In the event of a second offense, the fine shall be twice of the value of the fine imposed for the first offense.

Where misconduct is not subject to a fine or criminal proceedings as provided for in this law, those who have committed such misconduct shall be subject to re-education, or warning. Such misconduct is to be recorded by the Customs Administration, and such natural or legal persons, or organizations shall not benefit from any privileges related to customs formalities.



**PART XVI**  
**CUSTOMS BUDGET, UNIFORM, EMBLEM AND STAMP**

**Article 176 (New) Customs Budget**

The Ministry of Finance shall manage the budget of the Customs Administration. The budget allocation for the fiscal year shall be in accordance with the Law on State Budget and is to be given priority by the Government in order to serve the purpose of the development and modernization of the Customs Administration.

**Article 177 Customs Uniform, Emblem, Stamp and Identification Card**

The Customs Administration shall have an official logo and stamp.

Customs officers shall have customs uniforms, identification badge, an emblem, rank slides, aiguillette, insignia, and other such items.

The Ministry of Finance shall issue regulations on customs uniform, identification badge, emblem, logo and stamp for the Customs Administration and customs officers.

## **PART XVII**

### **FINAL PROVISIONS**

#### **Article 178 (Amended) Change of Tariff Nomenclature and Duty Rates**

Where there is a requirement to change the tariff nomenclature and duty rates to reflect the periodical socio-economic growth of the country, the Government has a right to propose to the National Assembly Standing Committee that it recommend to the President the issuance of a Presidential Decree to promulgate such changes in accordance with the relevant laws, international agreements and conventions to which Lao PDR is a Party.

No other natural or legal person, or organizations shall have a right to change the tariff nomenclature and duty rates.

#### **Article 179 Implementation**

The Government of Lao People's Democratic Republic shall implement this law.

#### **Article 180 (Amended) Entry into Force**

This law shall enter into force fifteen days after it has been published in the Lao official gazette following the issuance of a Presidential Decree promulgating the implementation of the law by the President of Lao People's Democratic Republic.

This law replaces the Law on Customs No. 04/NA, dated 20 December 2011, and the Law on Customs (as amended), No. 57/NA, dated 24 December 2014.

Any provisions in contradiction of this law shall be null and void.

**President of the National Assembly**

ສະໜັບສະໜູນການຈັດພິມ ພາຍໃຕ້ໂຄງການ ຮ່ວມມື  
ລະຫວ່າງ  
ກົມພາສີ  
ແລະ  
ຫ້ອງການຕ້ານຢາເສບຕິດ ແລະ  
ບັງຄັບໃຊ້ກົດໝາຍ