

Unofficial translation

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Finance
No.5642/MOF
Vientiane Capital, date 10 November 2021

Notification

To: - Director General of Department of Customs, Tax Department and State Property Management Department

- Head of Provincial and Vientiane Capital Finance Division.
- Legal entities engaged in the business of exporting wood and timber products.

Subject: Strengthen the management of exporting timber and wood products in order to collect revenue for government's budget.

- Pursuant to the Prime Minister's Decree No.600/PM, dated 14 October 2021 on the organization and operation of the Ministry of Finance;
- Pursuant to the Prime Minister's Order No.15/PM, dated 13 May 2016 on strengthening the management, inspection of timber harvesting, and timber business;
- Pursuant to the Prime Minister's Order No.18/PM, dated 16 September 2021 on enhancing the management and combating the leakage of state budget revenue;
- Pursuant to the Notification of the Prime Minister's Office, No. 885/PMO, dated 28 July 2021.

By ensuring the implementation of laws, decrees, and notifications in managing the export of timber and wood products accurately, strictly, and uniformly across the country.

The Minister issues the following notice:

1. The Director-General of the Customs department, Tax department, State Property Management department and the Provincial Finance division are assigned to lead and guidance to their vertical and coordinate with the relevant departments at the central and local level. By enhancing the management of timber exports and wood products and

implementing the Prime Minister's Orders No. 15/PM, dated 13 May 2016 and the Prime Minister's Orders No. 18/PM, dated 06 September 2021, the notification of Prime Minister's Office No.885/PO, dated 28 July 2021, the decision on the endorsement of wood product lists for exporting and other relevant legislation in terms of managing the collection of revenue into the government's budget as prescribed by regulations.

2. The State Property Authority

Is assigned to collaborate with the relevant government agencies in inspecting timber on trucks at the origin source, timber at Station II, and wood processing factory etc. In order to monitor, inspect the volume, type, species, value, quantity, and wood products according to the actual list under the approved permit. There shall be reported the accurate at the origin inspection, tarpaulin, packaging, straps, or other techniques to ensure and prevent robbers during the movement along the route to the international customs checkpoint.

3. Tax Authority

Is assigned to manage, monitor and inspect the declaration of obligations from the mining, processing, production, domestic, and export of timber and timber products, such as the cost of timber resources, fees, and taxes by the regulations. The purpose is to pay obligations to the state budget through the Tax Income Information System (TaxRIS) and send information to the state property department and the customs duties of the international customs for export management and inspection.

4. Customs Authority

Is assigned to manage, monitor, and inspect specific technical terms and use modern tools (scanners, scales, etc. to analyze comparative data) for the inspection of each timber truck arriving at the checkpoint, export permit documents, timber items, and timber obligation fee. If it is found that it is valid, it is allowed to export, but if it is found that the smuggling of timber is found, strict measures shall be taken by the Customs Law No. 81/NA, dated 29 June 2020. In addition, the confiscation of such timber as a state to prosecute by the law. These timbers will be auction and income which is received from the auction shall be transferred as revenue of the Customs section.

- The roles and duties of the Customs Authorities at the border checkpoints shall check the information below:
 - Contracts for the purchase and sale of timber and timber products that are properly registered for export, with the confirmation of obligations such as timber resources, fees, and taxes of various types by the regulations.

- After checking the information is completed, that should be calculated the export tax at the rate of 30% for sawn wood products (sawn wood and sliced wood), finished wood products at the rate of 15% of the export value;
- Exports of goods, materials, and other products shall be by Presidential Decree No. 002 /POL, dated 27 April 2012.
- For permission to export other remnants of timber such as logs, stumps, shrubs, etc. must be approved on a case-by-case basis by the Government.

5. Compensation

- Any authorities, government officers, individuals, legal entities, and organizations who directly or indirectly contribute to the violation of the law, the work to prevent the smuggling of obligations will be commended or the policy of compensation by the law.

6. Measures against violators:

- For authorities and government officers, if it is found that there is negligence on duty, accepting bribes, conspiracy to evade exports, tax evasion, volume, type, type, value, the quantity of timber will be disciplined and prosecuted by the rules and regulations;
- Individuals, legal entities, or organizations that violate will be educated, warned, and prosecuted for full tax liability and other obligations, if caused by their intentional acts will be prosecuted in civil and criminal law.
- For timber and wood products shall be by the procedures for confiscation and state ownership; In case of modification of vehicles, containers, or other concealed means with intent to cause serious damage to security, transportation of goods, collection of revenue, etc., take disposal measures by laws and regulations.
 - a. The Director-General of the Department of Customs, Tax Department, State Property Management, and the Provincial Finance Division are assigned to organize, disseminate and manage the implementation of this notification in accordance uniformly and strictly.

7. This notification replaces Instruction No. 1765/MOF, dated 4 July 2013, and is effective from the date of signing.

Minister
Bunchom Ubonpaserth