

(Unofficial translation)



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

Ministry of Finance

Ref no.2834/MoF
Vientiane Capital, dated 30 August 2016

**Provision
of Ministry of Finance on the collection of Value Added Tax from Passengers'
Belongings for 10% of their value**

- Pursuant to the Customs Law No. 04/NA, dated December 20, 2011, and Amended Customs Law No. 57/NA, dated 24 December 2014
- Pursuant to the value Added Tax law No 52/NA, dated 23 July /2014.
- Pursuant to the decree of the Prime Minister No. 80/PM, dated 28 February 2007 on the organization and functioning of the Ministry of Finance.
- Pursuant to the agreement of the government's economic committee meeting, dated 16 August 2016.

In order to collect VAT conveniently, concisely, simply and create facilitative conditions for passengers traveling into Laos to be able to bring personal effects for consuming daily with no commercial propose through the customs checkpoints legitimately and meet its own obligations to the state budget based on laws and regulations

Deputy Prime Minister, Minister of Finance issues provision as follows:

1. Customs officers manage the collection of Value Added Tax of the import of effects of passengers who are Lao citizen, expats, and foreigners living in Lao PDR upon entering into Lao PDR through the customs checkpoints including the international airports at the rate of 10% of the effects' value.
2. Passengers who are Lao citizen, expats, and foreigners traveling into Lao PDR must notify the payment of VAT at the rate specified in section 1 of this provision.

For passengers who travel through the customs checkpoints occasionally or infrequently (less than two times per month) and purchases effects for consumption and import effects with no commercial characteristic or purpose that has low value and is used for daily life they are exempted from VAT if its value is below 50 US dollar. The exceeding value must be notified to pay VAT.

3. As for passengers who travel into Lao PDR frequently through the customs checkpoints including the international airport are not exempted for VAT for the value of 50 US dollar and will be charged VAT according to the actual value of import.
4. Base and method for calculating VAT
 - Base for the calculation depends on buying-selling value of goods at the origin that does not include value added tax (VAT), which is more than fifty (50) US dollar (or equivalent to local currency KIP or other currencies based on the bank's foreign exchange) per person/times;
 - Method for calculating VAT is to take the base specified in bullet point one of the above No. 4 multiply (X) with VAT rate (10%).
5. The estimation of import value of the passengers' effects in case of incomplete bills or unclear invoice or no invoice customs authorities have the right to estimate such effects' value in compliance to the reality in order to use as a base for calculating VAT.
6. Customs Department shall set priorities for the customs checkpoints that have conditions to implement, and issue detailed technical instruction on procedures, methods, designed declaration form, mechanism for payment, and disseminate guidelines to the officers, the customs officers, individuals and entities or organizations in the society to be aware thoroughly. Also it shall be managed, monitored, inspected and evaluated and reported to the Ministry of Finance from time to time to implement this provision successful.
7. This provision is effective from the date of signature.

**Deputy Prime Minister
Minister of Finance
(seal and signature)**

Somdy Doungdy