



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Ministry of Finance No. 4490/MOF

Vientiane capital, dated 14 September 2021

**Guidance on Management, Promote, Facilitation of Duty-Tax to Business
which Import-Export Goods and Items**

- Pursuant to Law on revision of some articles of Law on Tax No.01/NA, dated 7 August 2021.
- Pursuant to Law on Customs (revised) No.81/NA, dated 29 June 2020.
- Pursuant to Decree of Prime Minister on the Organization and Implementation of Ministry of Finance No.144/PM, dated 8 May 2017.
- Pursuant to the Results of Meeting between Ministry of Finance, Representative of Import-Export Business Sector and Relevant Agencies dated 3 August 2021.

In order to facilitate trade and investment, promote import-export business sector to operate business which complies to Laws and legislations under laws.

Minister of ministry of finance issued the Guidance:

1. Purpose

This Guidance defines the principles, rules and measures which are related to the management of goods and items import-export via the border check points. To facilitate duty, trade, investment and create the facility, enhance the capacity of competitiveness of domestic business sector according to laws and regulations.

2. The Scope of Use

This Guidance is used for business sector which imports or exports goods and items to supply in domestic market, which has passed the conditions and criteria as defined on this regulation or authorized economic operator.

3. Principles

- Resolute, strict with laws and regulations.

- Transparency, can be checked, and modernize.
- Ensure the equality to laws.

4. Conditions and Criteria of Business Sector

- 4.1. Having the business license on import and export and tax identification number.
- 4.2. Having the certificate of accounting holding which is issued by the accounting sector, as well as having the financial report which is audited by auditing company which is allowed in accordance with laws of Lao PDR.
- 4.3. Having the certificate of tax payment yearly, payment via banks under the company name.
- 4.4. Having the VAT system accession certificate issued by tax department.
- 4.5. Being the general customs declarants or having the customs declaration agent which is approved by customs department.
- 4.6. Having the goods warehouse information system which record the inbound-outbound warehouse and can be linked with TaxRIS which is the system of tax department.
- 4.7. Having the record of sale as prescribed on Decision of minister of finance No. 1179/MOF, dated 20 April 2017 or according to the certification and approval from tax department.
- 4.8. Package of goods, items shall have the mark and code according to international standard. Do not allow to pack different types of goods in one package and do not allow to modify the package.

The customs and tax authority shall collaborate to evaluate and certify the conditions as above each year.

5. The business sector which is passed the condition and criteria shall be obtained the benefits as below:
 - 5.1. Obtained the customs facilitation to proceed of the advance customs declaration documents according to the regulations.
 - 5.2. Obtained the customs facilitation to proceed the customs procedures such as information check, customs document declaration, goods inspection at the border checkpoint which import according to the risk management (Green line).
 - 5.3. The inspection of goods, items at the warehouse of import company shall be implemented according to the risk management of customs and tax sector.

5.4. Obtained the customs and tax facilitation for duty free (if any), consumption tax, VAT which is related to import, can inform and pay once supply goods, items via TaxRis system within 30 days after import.

5.5. Can apply for authorized economic operator and endorsed by customs authority.

6. The Procedures of Implementation

6.1. Import Declaration

Detailed customs declaration when import goods, items can be notified via the electronic system (ASYCUDA and Lao National Single Window) according to the customs documents which are used for ASEAN country as prescribed on the system. In case of internet connection and electric outage can be declared by paper documents. The documents of detailed customs declaration shall include:

- Detailed customs declaration form.
- Invoice of goods, items.
- Packing list.
- Certificate of rules of origin in case of applying for preferences.
- The permit and/or the certificate of import in case of goods is a controlled type.

6.2. The actual inspection of goods at the international border checkpoint where import shall be implemented according to the risk management in low level (green line).

6.3. Record inbound-outbound of goods in warehouse according to accounting system in detail and provide the information to tax authority in term of processing the risk management to inspect inbound-outbound goods in warehouse.

6.4. Link the sale system of goods, items with TaxRis system by creating application programming interface in order to receive or send the sale information electronically. In case the system cannot be linked, tax sector will approve to improve the connection within 3 months. During the improvement period, the tax authority can access and check the information on sale record system of business sector.

6.5. Use the invoice according to the regulation as prescribed by ministry of finance. In case the business sector wants to make the invoice or use the sale record system by their own, they shall request to the tax sector to check and approve to use in term of providing the information to relevant agencies and audit the tax payment.

6.6. VAT shall be calculated as below:

- Record the input-output according to the list on invoice which is allowed by tax sector.
- In case of VAT of goods import (input VAT) is less than VAT of goods sale (output VAT), the negative result will be as positive so the payment shall be paid via TaxRis system which is no later than 20 of next month.
- In case of VAT of goods import (input VAT) is higher than VAT of goods sale (output VAT), the negative result will be as negative so the payment can be deducted in the next month and summarize the stock of goods in the Warehouse each month. If cannot be deducted within 3 months, can apply for claiming VAT.
- In case of input VAT which is related to goods, items stock in the warehouse or shop, this shall be deducted with output when selling the actual each type of goods but this shall have the documents to certify. If goods are not sold, this shall not be allowed to deduct.

6.7. Notify to pay the consumption tax and VAT via TaxRis and make a payment via bank systems such as Easy tax, IBanking or mobile phone application which the commercial banks established.

6.8. Shall summarize and report the yearly financial report according to laws and regulations as prescribed.

6.9. Maintain, collaborate and provide the information of customs declaration documents when import, complete documents and the information of payment to customs and tax authority for post check in accordance with laws and regulation as prescribed.

7. The Procedures for Attending the Project

Private sector who is interested and has the criteria and conditions, can send the request letter to tax department for consideration to approve according to conditions and criteria as prescribed on Point 4 of this Guidance and sign the contract with tax department to implement.

8. Appreciate to Outstanding Individuals and Measures to Violators

8.1. Appreciate to Outstanding Individuals

Private sector who imports goods, items shall comply to the conditions and criteria as prescribed on Point 4 above. If have been evaluated continually 2 years, shall be appreciated as below:

- Obtain the honor certificate (golden card) and served as priority and reliable ranking according the regulations.
- Be appreciated in each level from government.

- Other policies which government announces in each period.

8.2.Measures to Violators

Private sector who imports goods, items shall comply to the conditions and criteria as prescribed on Point 4 and receive the benefits as prescribed on Point 5 above. If violate any points according to the indicator results of inspection, shall be implemented as below:

1. Be warned or advised to improve, solve.
2. Be cut off the right from the condition and criteria on Point 4 and benefits on Point 5 above. Also, shall be prosecuted according to Law on customs, tax Laws and related regulations.

9. Effectiveness

This Guidance is effective start from 1st October 2021.

Minister

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