



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

No.002/NA

Vientiane Capital, date 28 September 2023

EDICT
Of President
Lao People's Democratic Republic
On the rate of natural resource utilization

- According to the Constitution of the Lao People's Democratic Republic No. 63/NA, dated December 8, 2015;
- According to the Law on Environmental Protection No. 29/NA, dated December 18, 2012;
- According to the Law on State Property No. 18/NA, dated July 7, 2022;
- According to the Resolution of the Standing Committee of the National Assembly No. 261/NASC, dated August 28, 2023;
- According to the proposal document of the Standing Committee of the National Assembly No. 29/NASC, dated August 28, 2023.

President
Lao People's Democratic Republic Issue Edict:

Chapter 1
Prescribe

Article 1 Purpose

This edict specifies the rates and methods for calculating the value of natural resources to ensure proper, uniform, and effective collection of natural resource fees throughout the country. It aims to contribute to national budget revenue, in accordance with the law, and to support the sustainable development of the nation's economy and society.

Unofficial translation

Article 2 Natural Resource Fees

Natural resource fees refer to financial obligations that individuals and legal entities, both domestic and foreign, authorized to engage in businesses involving natural resources must pay to the state, based on the rates specified in this law.

Article 3 Principles for Determining Natural Resource Fees

The determination of natural resource fee rates shall adhere to the following principles:

1. Based on economic and social development levels as well as the government's economic and financial policies;
2. Ensure sustainable development by promoting the efficient and long-term conservation of natural resources;
3. Establish uniform rates nationwide.

Article 4 Scope of Use

This edict applies to individuals and legal entities, both domestic and foreign, involved in businesses, including enterprises managing operations related to natural resources such as minerals, forestry resources, and water resources in the Lao People's Democratic Republic. This law does not cover types of plants, fruits, or industrial timber derived from cultivation by entrepreneurs or the general population.

Chapter 2

Rates of Natural Resource Fees

Article 5 Rates for Mineral Resources

A. Mineral Resources

The collection of fees for mineral resources shall follow the rates as specified below:

No.	Types of Minerals	Percentage (%) of the Value
1	Precious stones and jade – Diamonds, rubies, sapphires, and emerald. – Jades	13
2	Semi-Precious stones – Pearl, alexandrite; – Aroid, rhodolite, peridot, spinel, topaz, garnet, opal, tourmaline, agate, granite; – quartz (rose quartz), amethyst	10
3	Precious metal – gold, silver, platinum	12
4	Base metals (metals that are not precious) – Copper, zinc, lead, tin, aluminum	9
5	Metals and alloys – Metals – Titanium, manganese, gold, vanadium, nickel, cobalt, molybdenum, tungsten	10

Unofficial translation

6	Metals with low content and associated with alloys – Antimony, arsenic, beryllium, cadmium, bismuth, magnesium, mercury, selenium, rubidium, rhodium, titanium, and cerium.	10
	– Rare earth elements	20
7	Evaporite – Coal, anhydrite, gypsum	4
	– Potash	5
	– Salt	2
	– Boron	7
8	Industrial mineral resources – Fluorite, barite, phosphorite, mica	7
9	Industrial clay-stone – Cement limestone, Dolomitic limestone, Manganese ore, Lateritic stone, Clay soil, Red clay, Tuff, Asbestos, Glass production sand, Talc, Alunite, Iron ore, Granite stone, Diorite, Gabbro, Rhyolite, Slate	4
10	Polished stone – Granite, Soft stone, Gneiss, Slate	6
	– Pagodite	7
11	Coal – Lignite, Bituminous, Subbituminous, Anthracite	6
	– Mud coals	2
	– Oil shale	3
12	Fossil fuel and natural gas	According to Protocol

For Mineral Resources Used as Raw Materials in Power Projects: The calculation should be based on the production cost of the extracted resources, as verified by the relevant sector, and the natural resource fee should be collected according to the rates specified in this article.

For strategic or reserved minerals designated for domestic use, exports are not permitted. The list of such minerals is determined periodically by the relevant sector.

B. Mineral Resources Used in Construction Projects

The natural resource fees for minerals used in construction activities should be collected at the following rates:

No.	Types of Natural	Percentage (%) of Price	Unit
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Unofficial translation

1	Loam soil, Silty soil, Clay soil	4	Cubic Meters
2	Sand	4	Cubic Meters
3	Pebble stone	4	Cubic Meters
4	Gneiss – Dolomite stone – Granite-diorite – Basalt stone – Sandstone	4	Cubic Meters

For Natural Resource Fees for Power Projects: The fees for natural resources such as soil, stone, and sand extracted within the concession area of power projects and used in those projects should be calculated at a single rate, as specified for natural resources used in power projects under Article 7 of this decree. For other mineral resources that are not located within the concession area but are used in the power project, the fees should be collected according to the rates specified in this article.

Article 6 Natural Resource Fees for Forest Products

The fees for forest products shall be collected at the following rates:

No.	Types of Forest products	Percentage (%) Of selling price
1	Natural timber with parameter of less than 20 cm for decoration	50
2	Parts of black wood/Agarwood	40
3	Parts of mai chanhom, mai chandai, mai chandeng, mai chankhao	30
4	Thoun rattan, small rattan	30
5	Rantan top, top of boun, top of tao	30
6	Khaeua haem, khaeua taeng, khaeua tipti, khaeua khaohor, khaeua sakhan	30
7	Charcoal	20
8	Bamboo, mai louangpouk	15
9	Kaen khoun	10
10	Rubber of tress, Rubber oil	10
11	Mak chong, mak chong ban, mak tao, mak seang baeua, mak kham paep, mak naeng, mak kabao, mak kaeua, mak khonkhaen, mak khosom, mak taek, mak kaueam, mak khakai, mak wai, mak kha, mak kor, mak pongpeng, mak lae, mak samsip, mak ka	10
12	Bong bark, maeuk bark, saied bark, porsa bark, hin bark, khae bark, hat bark, samhang bark	10

Unofficial translation

13	Rhizoma Smilacis Glabrae, hua dukdaeua, hua kapouk, hua koi, hua kha, hua samsip, yendon root, hua hanchay, hua samphanhou, hua man	10
14	Dok pheung	30
15	Cratoxylum, mai kor, Firewood, Shuttering, Pale	10
16	All types of bamboo shoots and ushrooms	10
17	Nam kieng	5
18	All types of vegetables	4
19	Reed, Wild green tree	4
20	Resin, Sticklac, Sellac mushroom, grub, Avertroacarambola Linn, honey, nuts, reed, bamboo, tea leaf, annonaceae, resin, cinnamon, malva nut	4
21	Sompha	30
22	Hua kha hom sam meung	50

For forest products not included in the above table, which are considered general resources, a fee of ten percent (10%) of the sale value must be collected.

The collection of natural resource fees for forest products must be conducted at the time of transport and export to foreign countries.

For Forest Products Close to Extinction: The export of forest products close to extinction is not permitted. The specific details of such products will be determined by the relevant authorities periodically.

Article 7 Natural Resource Fees for Power Projects (Government Revenue)

The natural resource fees for power projects must be collected as follows:

No.	Types of Natural Resource Utilization	Percentage (%) The average of total revenue from electricity sales at current market value (Present Value: PV)
1	Hydropower, geothermal, and coal power projects that export electricity to other countries.	5
2	Hydropower, geothermal, and coal power projects that supply electricity domestically and are currently installing more than 5 megawatts of capacity.	
3	Hydropower, geothermal, and coal power projects that supply electricity domestically and are currently	2

Unofficial translation

	installing less than or approximately 5 megawatts of capacity.	
4	Solar power, wind power, and biomass energy projects that supply electricity domestically.	1
5	Solar power, wind power, and biomass energy projects that export electricity to other countries.	More than 2

The collection of natural resource values set in the table above should be collected based on total revenue from electricity sales before deducting various expenses. The rate for detailed collection should be specified in the concession agreement, where the collected revenue from natural resource values should equal the current value of the average revenue estimated over the duration of the project, according to the rate set in this provision.

Article 8 The rate for the value of natural water resources for each production and service

The rate for the value of natural water resources for each production and service activity should be collected as follows:

No.	Types of Use	Collection Rate (Cubic Meters)
1	The use of natural water in industrial production activities.	5
2	The use of natural water in mineral sector.	10
3	The use of natural water in tourism and sports activities such as: resorts, hotels, guesthouses, restaurants, and various sports service activities.	5
4	The use of natural water in the production of waterwork.	5

Chapter 3

Collection and Transfer of Revenue from Natural Resources

Article 9 Collection of Natural Resource Assets

The finance sector is responsible for calculating and collecting the value of natural resources and other revenues, including adjustment fees related to natural resource value, as specified by law and related regulations.

Article 10 Transfer of Revenue from Natural Resources

Revenue from natural resource value as specified in this legislation can be transferred to the state budget in the form of domestic or foreign currency, as agreed upon in contracts or actual transactions, by considering the exchange rate according to the exchange rate of the state-run commercial bank at each moment.

Unofficial translation

For natural resource value from mined minerals as specified in Articles 5 and 6 in the case of extraction for export, it shall be transferred to the state budget in foreign currency, based on the agreement of the government.

Article 11 Methods for Calculating Natural Resource Value

The calculation of the natural resource value is done in two ways:

1. The calculation uses the actual selling price, with consideration of the standard percentage of the resource type sold.

For mineral resources, the calculation is based on international market prices, domestic or regional market prices, or based on internal government assessments on the date of documentation for transfer of resource value.

2. The calculation based on the quantity of natural resources mined for sale or use, with consideration of the price value in monetary terms as specified in this legislation.

The finance sector is responsible for determining and managing the value of natural resources according to approved standards and quantities from relevant sectors.

Chapter 4 Final Provisions

Article 12 Enforcement

The government of the Lao People's Democratic Republic is the authority responsible for implementing this edict.

Article 13 Effective Date

This edict shall take effect from 01 January 2024, following the President's signing and its publication in the government's official gazette.

This edict replaces the previous edict of the President regarding the value of natural resources, published under document No. 001/, dated 15 November 2015.

The benefits for business operators related to natural resources under previously signed contracts or agreements with the government before the implementation of this edict shall be implemented according to those contracts. If business operators wish to receive policies under this edict, they have the right to request for the appropriate measures related to the matter and the implementing agency shall inform them about the procedure for compliance with the law and regulations.

**President of Lao PDR
Thongloun SISOULITH**