



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Agriculture and Forestry

NO: 1045/MOAF
Vientiane Capital, dated 16 January 2023

Decision
on the Management and Monitoring of Input-Output Timber

- Pursuant to the Law on Forestry (amended version) Ref. No. 64/NA, dated June 13, 2019;
- Pursuant to the Law on Processing Industry Ref. No. 48/NA, dated December 17, 2013;
- Pursuant to the Prime Minister's Decree on the Organization and Activities of the Ministry of Agriculture and Forestry Ref. No. 603/PMO, dated October 15, 2021;
- Pursuant to the research and presentation of the Department of Forestry Ref. No. 7467/DOF, dated December 27, 2022.

The Minister of Agriculture and Forestry Issued the Decision:

Chapter 1
General Provisions

Article 1 Objective

This Decision defines the principles, regulations, and measures for the management, monitoring, and inspection of input-output timber by timber business operators in order to manage timber use effectively and in accordance with the law, with the goal of promoting the sustainable use of forest resources to contribute to the development of the national economy and society and moving the industry toward modernity and sustainability.

Article 2 Management and monitoring of input-output timber

The management and monitoring of input-output timber is the systematic recording, monitoring, inspection and reporting, starting from the import process to the export process from the wood processing plant or timber trader.

Article 3 Definition of terms

The terms used in this Decision have the following meanings:

1. **Input timber of the wood processing industry** refers to the inbound timber for processing or distribution;
2. **Output timber for wood stores** refers to inbound timber for distribution at wood stores or for resale;
3. **Outbound timber of wood warehouse or timber import and export company** refers to inbound timber to be distributed in the warehouse or wood collection point for resale;
4. **Outbound timber** refers to wood that leaves the wood processing factory, wood store, wood warehouse or wood import and export company for domestic distribution and

- export abroad;
5. **Wood business operator** refers to a person who is authorized to operate wood processing industry, wood store, wood warehouse or wood import and export company;
 6. **Wood utilization rate** refers to the actual measured net volume of wood products compared to the volume of logs;
 7. **Wood products** refer to finished or semi-finished wood products that are processed from wood raw materials, wood chips through each stage of production within the wood processing plant.

Article 4 Scope of use

This Decision applies to individuals, legal entities or organizations both domestic and foreign entities who operate timber business in Lao PDR.

Chapter 2

Management System for Input-Output Timber Inventory

Article 5 Timber management system for input-output timber inventory

The inventory management system is a timber recording system from the import process to the export process for distribution and reporting system along with the storage of timber log files.

Timber business operators must comply with the management system of input-output timber according to the type of timber business defined in Articles 6, 7, 8, 9, 10 and Article 11 of this Decision. Recording of each step is to be documented according to the printed form in the designated Agriculture and Forestry sector.

Article 6 Management system of input-output timber of the sawmill

The management system of input-output timber of the sawmill is as follows:

1. Recording of the timber brought into the sawmill for sawing;
2. Logging of wood from the sawmill;
3. Calculation of wood usage rate and loss in sawing process.

Article 7 Management system of input-output timber of the wood processing factory

The management system of input-output timber of the wood processing factory is as follows:

1. Recording of the timber brought into the wood processing factory for processing;
2. Logging of wood from the wood processing plant;
3. Calculation of wood usage rate and loss in the wood processing process.

Article 8 Management system of input-output timber of furniture factory

Management system of input-output timber of furniture factory is as follows:

1. Timber input inventory for furniture processing;
2. Logging of wood from the furniture factory;
3. Calculation of wood usage rate and loss in the processing process.

Article 9 Management system of input-output timber of family furniture factory.

The Management system of input-output timber of family furniture factory is as follows:

1. Timber input inventory for family furniture for processing;
2. Logging of wood from a family furniture factory;
3. Calculation of wood usage rate and loss in the processing process.

Article 10 Management system of input-output timber of the wood store

The management system of input-output timber of the wood store is as follows:

1. Recording of timber imported into the wood store for distribution;
2. Logging of wood distributed from the wood store;
3. Recording the rate of wood loss or unusable wood in wood stores,

Article 11 Timber management system for logging input-output timber of warehouses or timber import and export companies

The timber management system for logging input-output timber of warehouses or timber import and export companies is as follows:

1. Logging of wood imported into wood warehouse or wood import and export company for distribution and export;
2. Logging of wood from wood warehouses or wood import and export companies;
3. Recording the rate of wood loss or unusable wood in wood warehouses or wood import and export companies.

**Chapter 3
Monitoring of Input-Output Timber**

Article 12 Monitoring documents for input-output timber of sawmills

Monitoring documents for input-output timber of sawmills are as follows:

1. Monitoring documents for input-output timber include:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for tracking the trees out include:
 - 1) List of wood taken out of the sawmill, separated into each species/type of wood;
 - 2) Monitoring account of sawing or wood processing;
3. Logging documents for sawmills include:
 - 1) List of wood left in the sawmill, separated by each species/type of wood;
 - 2) Inventory of processed wood.

Article 13 Monitoring documents for input-output timber of wood processing factories

Monitoring documents for input-output timber for wood processing factories are as follows:

1. Timber inventory monitoring documentation includes:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for tracking the timber output include:
 - 1) List of wood taken out of the wood processing plant, separated into each species/type of wood;
 - 2) Monitoring list of sawing or wood processing;
3. Monitoring paperwork for remaining wood in processing plants includes:

- 1) A list of wood left in the wood processing plant, separated into each species/type of wood;
- 2) Inventory of processed wood.

Article 14. Documents for monitoring the input-output of furniture factories

The documents for monitoring the input-output of furniture factories are as follows:

1. The documents for monitoring the input-output of furniture include:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for tracking the timber output include:
 - 1) List of wood taken out of the furniture factory, separated into each species/type of wood;
 - 2) Monitoring list of sawing or wood processing;
3. The furniture factory's tracking documents include:
 - 1) List of wood left in the furniture factory separately for each species/type of wood;
 - 2) Inventory of processed wood.

Article 15. Logging input-output timber of the family furniture factory

Logging in and out of the family furniture factory is as follows:

1. Rice stalk monitoring documents include:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for tracking the timber output include:
 - 1) List of wood taken out of the family-style furniture factory, separated into each species/type of wood;
 - 2) Monitoring list of sawing or wood processing;
3. The follow-up documents for family furniture include:
 - 1) List of the wood left in the family furniture store, separated by each species/type of wood;
 - 2) Inventory of processed wood.

Article 16 Logging documents for logging input-output timber stores

Logging logs for logging input-output timber stores are as follows:

1. Logging logs include:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for monitoring the timber output and remaining timber at the wood store include:
 - 1) List of wood taken out of the wood store, separated into each species/type of wood;

- 2) The list of wood that is left in the wood store, separated by each species/type of wood;
- 3) Lumber inventory is lost or unusable at the wood store.

Article 17 Documents to track input-output timber warehouses or timber import and export companies

Logging documents for logging in and out of warehouses or importing and exporting companies is as follows:

1. Timber input monitoring documentation include:
 - 1) Logging license;
 - 2) List of wood;
 - 3) Wood purchase contract;
 - 4) Documents confirming fee and charge payment;
 - 5) License to move wood domestically;
 - 6) Track sheet for loading wood into each truck as well as log marking hammer.
2. The documents for monitoring the output timber and remaining timber in wood warehouse include:
 - 1) List of wood taken out of the wood warehouse, separated into each species/type of wood;
 - 2) List of remaining timber in the wood warehouse, separated by each species/type of wood;
 - 3) List of lost or unusable timber at the wood warehouse.

Chapter 4

Reporting and Storage of Documents for Input-Output Timber

Article 18 Reporting of input-output timber

Timber business operators must report information on input timber, output timber and remaining timber according to the printed form specified in this Decision to the Agriculture and Forestry Office at the district level as follows:

1. Quarter 1: Submit the report between March 31 and April 10;
2. Quarter 2: Submit the report between June 30 and July 10;
3. Quarter 3: Submit the report between September 30 and October 10;
4. Quarter 4: Submit the report between December 31st and January 10th of the following year.

In the case of not being able to send the report as defined above, the timber business operator must explain the reasons in writing to the District Agriculture and Forestry Office for information and the District Agriculture and Forestry Office must coordinate with the relevant parties to check the actual information and make a note of acknowledgment by specifying the date when the report can be submitted.

Article 19 Storage of documents

Timber business operators must keep all documents related to input-output timber in a systematic and easily searchable manner, which includes production records, production information, sales documents, timber transfer slips, printed reports specified in this Decision and other related documents.

The storage of documents must ensure safety and be kept for at least ten years, both original and copies, both in conventional and electronic systems.

Chapter 5

Inspection of Input-Output Timber

Article 20 Inspection of input-output timber

Inspection of input-output timber is an inspection of the management system, documents, records and reports on incoming timber, outgoing timber and timber of timber business operators.

Article 21 Forms of inspection of input-output timber

There are 3 types of timber inspections:

1. Inspection according to the normal system;
2. Inspection with advance notice;
3. Sudden inspection.

Inspections can be carried out on documents and at wood processing factories, wood stores and wood warehouses and wood gathering fields of wood import and export companies.

Article 22 Inspection according to the normal system

Regular inspection is inspection according to the plan, according to the procedure and set a certain time.

Regular inspections must be planned with clearly defined dates and must be carried out regularly at least once a year. Before the inspection, the business operator must be notified at least three days before the inspection date, as well as make a record of the inspection.

Article 23 Inspection with advance notice

Inspection with advance notification is inspection according to the plan or outside the plan, before each inspection, the business operator must notify the place of inspection at least three days in advance.

Unscheduled inspections are inspections in cases deemed necessary or according to the order to be inspected, such as the establishment of wood processing factories, wood stores, wood warehouses or wood import and export activities without permission from the Agriculture and Forestry sector.

Article 24 Sudden inspection

A sudden inspection is an inspection when it is deemed necessary and urgent, such as when there is a directive from the upper level, according to news sources, according to the proposal, according to the petition of an individual, legal entity or organization regarding the improper import and export of timber according to the law and regulation.

Unannounced inspections can be carried out at any time without notifying the timber business operator as well as making inspection notes.

Chapter 6 Rights and Obligations of Timber Business Operators

Article 25 Rights and Obligations of Wood Processing Industries

Wood processing industries have the following rights and obligations:

1. Operate wood business within the scope authorized according to the wood processing plant operating certificate;
2. Buy, sell and moving wood domestically and exporting it abroad correctly and in accordance with the relevant laws and regulations;

3. Receive promotion, facilitation, assistance, guidance from the public sector and other sectors in terms of technical and technical-technological upgrading regarding the operation of wood processing factories;
4. Obtain duty and tax promotion policies for the importation of machinery and equipment to be installed in the wood processing plant according to the law on investment promotion and related laws and regulations;
5. Have training on the management system of timber in and out of the timber processing process from the public sector as appropriate;
6. Receive the protection of their legitimate rights and interests according to the law;
7. Pay taxes, fees, administration fees and other obligations correctly, completely and on time;
8. Create a management system for input-output timber;
9. Report and provide information on input-output timber to the agriculture and forestry sector;
10. Perform other rights and obligations as required by relevant laws and regulations.

Article 26 Rights and obligations of wood stores, wood warehouses or wood import and export companies

Wood stores, wood warehouses or wood import and export companies have the following rights and obligations:

1. Operate within the scope permitted in the business license and according to regulations;
2. Buy-sell, move wood within the country or export abroad correctly and in accordance with laws and regulations;
3. Receive training on the management system of input-output timber in the wood trading process from the public sector as appropriate;
4. Obtain the protection of their legitimate rights and interests according to the law;
5. Pay taxes and other fees accurately, completely and on time;
6. Create a management system for input-output timber;
7. Report and provide information on input-output timber to the agriculture and forestry sector;
8. Perform other rights and obligations as stipulated in relevant laws and regulations.

Chapter 7

Agencies for Management and Monitoring of Input-Output Timber

Article 27 Organization to manage and monitor timber imports and exports

The management and monitoring organization of logging in and out of the agriculture and forestry sector includes the following:

1. The Ministry level is the Department of Forestry;
2. The provincial level is the Provincial Agriculture and Forestry Office;
3. The district level is the District Agriculture and Forestry Office.

Article 28 Rights and duties of the Department of Forestry

The Department of Forestry has the following rights and duties:

1. Develop, disseminate and introduce this Decision to local level employees and timber business operators;
2. Organize a joint consultation meeting with the government sector, wood processing industry association, wood furniture association, business sector and internal and international development partners regarding the work of timber management for wood business operators;

3. Cooperate with the vertical sector at the local level in monitoring and inspecting the organization and implementation of the management of input-output timber of timber business operators;
4. Summarize the work report on the management of input-output timber to the Ministry of Agriculture and Forestry in each period of time;
5. Perform other rights and duties as defined in laws and regulations.

Article 29 The rights and duties of the Provincial Agriculture and Forestry Office

The Provincial Agriculture and Forestry Office has the following rights and duties:

1. Disseminate and introduce this Decision to district level employees and wood business operators;
2. Organize a joint consultation meeting with the government sector, wood processing industry association, wood furniture association, business sector regarding the management of timber import and export of wood business operators;
3. Coordinate with its vertical sector at the district level in monitoring and inspecting the implementation of the management of input-output timber of timber business operators;
4. Summarize the work report on the management of timber in and out to the provincial level and the Ministry of Agriculture and Forestry in each period of time;
5. Perform other rights and duties as defined in laws and regulations.

Article 30 Rights and Duties of the District Agriculture and Forestry Office

The District Agriculture and Forestry Office has the following rights and duties:

1. Disseminate and introduce this Decision to timber business operators;
2. Monitor, inspect and verify the implementation, management of timber entry and exit of timber business operators;
3. Organize a discussion meeting, summarize the work report on the management of imported and exported timber to the district level and the department of agriculture and forestry at the provincial level in each period;
4. Perform other rights and duties as defined in laws and regulations.

Chapter 8 Prohibitions

Article 31 General prohibitions

It is forbidden for individuals, legal entities or organizations to have any of the following behaviors:

1. Move wood in and out of factories, wood warehouses and wood stores illegally according to laws and regulations;
2. Buy and sell wood incorrectly;
3. Create obstacles, barriers or obstructions in any form to the management and monitoring of logging and logging;
4. Other behaviors that violate laws and regulations.

Article 32 Prohibition for timber business operators

Timber business operators are prohibited from engaging in any of the following behaviors:

1. Move wood in and out of factories, wood warehouses and wood stores illegally according to laws and regulations;
2. Offer bribes to officials and employees;
3. Obstruct or not cooperate with officials and employees;
4. Falsify documents or conceal true information;

5. Other behaviors that violate laws and regulations.

Article 33 Prohibitions for officers and employees

It is forbidden for officials and employees of the agriculture and forestry sector to have any of the following behaviors:

1. Abuse power, duty, position, collude or use any other means and accept bribes for personal gain;
2. Exceed the rights and duties which harm the interests of the state and entrepreneurs;
3. Disregard report on illegal activities according to the law and regulations of wood business operators;
4. Reveal documents of timber business operators;
5. Forge, prolong documents or forging signatures;
6. Other behaviors that violate laws and regulations.

Chapter 9

Policies for Good Performers and Measures Against Violators

Article 34 Policies for good performers

Individuals, legal entities or organizations that perform well in the implementation of this Decision will receive praise and other policies according to regulations.

Article 35 Measures against violators

Any individual, legal entity or organization that violates this Decision will be warned, educated, disciplined, fined, civilly or criminally prosecuted regardless of whether the case is minor or serious.

Article 36 Implementation

Chapter 10 Final Provisions

The Department of Forestry, the Provincial Agriculture and Forestry Office and the District Agriculture and Forestry Office are responsible for coordinating with the relevant parties to publish, recommend and implement this Decision strictly according to their roles, rights and responsibilities in accordance with the relevant laws and regulations.

Article 37 Effectiveness

This Decision replaces the Decision on the Management and Monitoring of Input-Output Timber No. 0777/MOIC,DOIH, dated August 25, 2020 and it becomes effective after signing and posting on the official letter fifteen days.

Minister

[Seal and signature]

PhD. Phet PHOMPITHAK