



In necessary and urgent circumstances requiring modifications to the customs tariffs, the Government may propose the National Assembly Standing Committee to reduce or increase customs tariffs, modify customs rates set out in the customs tariffs in the form of percentage of the declared values into fixed rates (setting customs and other charges per unit of goods and merchandise) as stipulated in Article 6 of the Customs Law 05/NA dated 20 May 2005.

date of detailed customs declaration multiplied by the customs and other charge rates set out in the customs rate nomenclature and the Tax Law.

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a sum equal to duties and other levies from the deposit to the national budget at once. The remainder of the deposit will be applied towards the payment of fines in accordance with the regulations.

Article 8 Examination of Customs Declarations

All customs declarations are subject to re-examination by the customs authorities as stipulated in Article 28 of the Customs Law 05/NA dated 20 May 2005. Therefore, importers, exporters or their agents assigned in writing will be directly liable for any information, such as origins, codes of goods, declared value, import duty rates and tax rates, duties and other levies or information on exported and imported goods provided in detailed customs declarations they have certified and signed and submitted to the customs officers for inspection and detailed recording as stipulated in Sections 1, 2, 3 and 4, Part III of the Customs Law 05/NA dated 20 May 2005. To expedite and simplify customs clearance and removal of goods from warehouses or customs posts, customs officers at points of import/export will accept initial declarations according to documentations provided by the customs clearing persons, which does not infer that customs officers at border cross-points recognize the accuracy of information provided in detailed declarations. Therefore, all detailed customs declarations will be re-examined by the customs authorities within three years from recording. Re-examination by customs officers may be carried out at the offices of import/export businesses, storage premises, factories and plants, outlet shops held by persons, juristic entities or customs clearance service providers, transporters, owners of goods in order to review accounts, documents, other relevant information and goods as stipulated in Articles 26, 27, 28 and 67 of the Customs Law.

If the review by the customs authorities yields firm evidence of incorrect information provided by importers/exporters or their agents affecting duties and other levies, the customs authorities will notify the review's results and re-assessment to importers/exporters or their agents in writing by setting a timeline for the payment of outstanding duties and other levies, as well as a fine equal to the avoided and concealed duties and other levies as stipulated in Article 52 of the Customs Law. Where duties and other levies are not affected, a fine of 150,000 – 5,000,000 kips will be charged as warning as stipulated in Article 19 of this Decree.

Failure to comply with notices from the customs authorities will entail additional measures as stipulated in Articles 59, 67, 92 and 93 of the Customs Law 05/NA dated 20 May 2005.

Article 9 Resubmission of Customs Declarations

Customs declarations may be re-submitted as stipulated in Article 29 of the Customs Law 05/NA dated 20 May 2005 as follows:

1. Any contention relating to the origin, codes of goods and duties or results of inspection and assessment of discrepancies including other fines by customs officers may be submitted in writing to the Director-General of the Customs Department in the form provided by the customs authorities accompanied with all relevant information and reliable evidence and proposed solution within thirty days from receiving detailed customs records or notice of inspection results or assessment of discrepancy from the customs authorities.

2. The Director-General of the Customs Department will consider and make decisions within no more than thirty days from the recording of the applications' receipt into the register. Rules on resolutions are based on technical verification of information and evidence as stipulated in regulations. If properly and sufficiently

justified, applications will be settled. If proposed solutions may not be applied, the Director-General of the Customs Department will submit written responses with detailed explanations of the reasons to immediate higher authorities.

- If the decision made by the Director-General of the Customs Department is not accepted, a written application may be made to the Minister of Finance within thirty days from receiving the Customs Department Director-General's answer.

3. The Minister of Finance will consider and issue a decision on such applications within thirty days from registering the application. If the decision of the Minister of Finance is not deemed satisfactory, a plaint may be filed with the court within fifteen days from receiving such answer.

Article 10 Imports for Exhibition, Educational and Experimental Purposes

Temporary imports of goods into the Lao PDR for exhibition, educational and experimental purposes as stipulated in paragraph 3.(b), Article 39 of the Customs Law 05/NA dated 20 May 2005 are subject to the following rules:

1. Goods imported for non-commercial exhibition, educational and experimental purposes:

Before importing such goods into the temporary line through

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- Any delay in doing so will entail a fine equal to 0.01% of the duties and other levies assessed in the detailed customs declarations (D.50) per day of delay. Fines will be remitted to the national budget in accordance with the regulations;
- If, within thirty days, products are exported, the deposit will be reimbursed proportionately with the actual volume of export. If, within thirty days, no export is made, the deposit will be remitted to the national budget at once.
- Failure to notify or improper transaction or use will entail, in addition to duties and other levies, a fine of one fold the duties and other levies on the basis of breach to the temporary import rules as stipulated in Article 52 of the Customs Law 05/NA dated 20 May 2005.

Article 12 Temporary Import of Heavy Plants

Temporary import of heavy plants as stipulated in paragraph 3.(d), Article 39 of the Customs Law 05/NA dated 20 May 2005 is authorized under the following conditions for eligibility, such as:

Companies awarded contracts for the execution of assistance grant and loan financed projects through international tenders or foreign companies that are parties to agreements with the Government of Lao PDR regarding concessions, survey and designs, constructions or project developments, may bring heavy plants, such as bulldozers, excavators, cranes, rollers, tanks, trailers and other professional vehicles to Lao PDR on a temporary basis within the period of effectiveness of agreements entered with the Government, project master plan, capital, work volume of the project, agreements with the relevant sectoral authorities for a determined period of time which, according to the laws, may not exceed 2 years during the term of effectiveness and during which time a duty and other levy holiday will be granted under the following rules and regulations:

- Importers are required to obtain all above-mentioned permits and authorizations in full.
- An agreement of guarantee is entered with the customs authorities for use in the approved projects and re-exports within a determined period of time in their original numbers and conditions.
- Detailed customs declarations (D.50) are submitted to customs officers at the point of entry for consideration and approval.

If, prior to the expiry of the agreement of guarantee, importers intend to request an extension to agreements of guarantee, a written application with approval from the relevant sectoral authorities attached will be submitted to the customs authorities

Up to 3 months	40%
From 3 to 6 months	35%
From 6 months to 1 year	25%
From 1 year to 1 year and 6 months	15%
From 1 year and 6 months to 2 years	10%
Over 2 years	No discount

- Importers are required to obtain permits and authorizations from the relevant authorities in full.

- Agreements of guarantee are entered with the customs authorities on use in authorized projects and re-export within determined timeframe in original numbers and conditions.

- Detailed customs declarations are submitted to customs officers at points of entry for the payment of duties and other levies in accordance with rules and regulations.

Prior to the expiry dates of agreements of guarantee, importers are required to bring vehicles and relevant documentations to the customs posts to submit detailed customs declarations to customs officers for their re-export. Following recording by customs officers of inspection results and certification of such vehicles' re-export from the territory of Lao PDR, importers may submit such documents to the customs authorities supervising the post for the reimbursement of duties and other levies within twenty one days based on the rates shown in the following table:

a. Import of vehicles in 100% new technical conditions

Period of use in Lao PDR	Reimbursement rates
Up to 6 months (183 days)	90% of paid duties and other levies
From 6 months to 1 year	80% -"
From 1 year to 2 years	70% -"
From 2 years to 3 years	55% -"
From 3 years to 4 years	45% -"
From 4 years to 5 years	35% -"
Over 5 years	No reimbursement of duties and other levies

b. Import of used vehicles

Period of use in Lao PDR	Reimbursement rates
Less than 6 months (183 days)	80% of paid duties and other levies
From 6 months to 1 year	40% -"

From 1 to 2 years customs d.58 386o reimb(From vto 1 ym).7(b)-3.2((From vto 1 ym).7(b)-3.2((From4h

regards to items within their effective life of use throughout the life of the project and which may be re-exported in their original numbers and conditions under agreements of guarantee, such as laboratory equipment, generators, pumps, mechanic tools, electricity tools, water tanks, fuel tanks, asphalt boiling tanks, air pumps, welders, saws, grinding wheels, iron frame structures, iron benches and others.

Materials and equipment for construction and repairs may not be imported on a temporary basis and will be subject to the payment of statutory duties and other levies due to their full use or depreciation in the project's implementation from their original conditions which does not allow inspecting and certifying re-export in their original numbers and conditions, such as: iron bars, cement, welding bars, grinding blocks, all types of grease, fuel and others.

2. Imports of parts for replacement:

Parts for replacement may be imported specifically for parts with long-term life of use and remaining value from depreciation, such as caterpillar tracks for bulldozers, excavators, front-loaders, external engines that may be verified and certified at re-export only.

Fully used or depreciated parts from their original conditions that may not be re-exported in their original numbers and conditions at import from their use in projects, such as tires, internal parts of engines, equipment and others may not be imported on a temporary basis and are subject to payment of statutory duties and other levies.

3. Imports of office and household supplies:

Imports of office and household supplies un

With attached necessary documents (such as: insurance policies, technical inspection of vehicles, vehicle license...) for submission to customs officers:

- + Drivers with passports may use the vehicles in Lao PDR during no more than thirty days. If necessary and sufficiently justified, an extension of no more than thirty days may be requested and vehicles must be re-exported through international border cross-points only.

- + Drivers with border passes may use the vehicles in Lao PDR for no more than seven days. If necessary and sufficiently justified, an extension of no more than seven days may be requested within the limitations of use set by the Government and vehicles must be re-exported through the international border cross-point of the province where they were brought in.

- If an extension is requested, drivers are required to bring the vehicle and vehicle import declaration for submission to the customs post of the point of entry, closest regional customs office and customs post or the Customs Department with a letter of guarantee from reliable organizations, entities or persons for consideration.

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- One of each type of certain personal belongings in certain amounts (except motored vehicles) of Lao students, civil servants and diplomats brought after completion of studies and mission overseas will be exempted from duties and other levies except motored vehicles such as motorcycles, sedans, jeeps, pick-ups, minibuses, transport vehicles and others which are subject to the payment of statutory duties and other levies.

- Humanitarian assistance with certifications from the relevant authorities;
- Presents, aids, loans or debt repayments from overseas to the Government of Lao PDR;
- Materials and professional vehicles used in national defense and security;
- Certain necessary religious items not co

Pick-ups	1,100,000 kips/unit
Jeeps	1,200,000 kips/unit
Sedan	1,500,000 kips/unit

Article 20 Fines for Vehicles Transporting Illicit Goods

Vehicles transporting goods in contravention with the Customs Law as stipulated in its Articles 52, 53 and 54 will be fined as the case may be as follows:

- If cooperation is extended to customs officers, 500,000 kips of fine per vehicle.
- In case of disturbance, difficulties caused to or refusal to cooperate with customs officers, 1,500,000 kips of fine per vehicle.
- In case of v

it is signed; any decisions and regulations inconsistent with this Decree are superseded.

Prime Minister of Lao PDR

[Signed]

Bouasone BOUPHAVANH