



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No. 228/PM  
Vientiane Capital, dated 22 April 2010

**Decree**  
**on the Origin of Import and Export Goods**

- Pursuant to the Law on the Government of the Lao PDR No. 02/NA, dated 6 May 2003;
- Pursuant to the Law on the Customs No. 05/NA, dated 20 May 2005;
- Referencing the proposal of the Minister of Industry and Commerce No. 0603/MOIC.DIMEX, dated 24 March 2010.

**The Prime Minister of Lao PDR decrees:**

**Chapter I**  
**General Provisions**

**Article 1. Objectives**

This Decree stipulates the principles and rules on the origin of import and export goods aiming at promoting both domestic and foreign trade and investment, benefiting from trade preferences, [and] protecting the environment, which will contribute to the strengthened development and growth of the national economy and improved livelihoods of the people.

**Article 2. Origin of goods**

The origin of goods is where the goods is produced or undergone production process in accordance with the provisions set forth in this Decree.

### **Article 3. Interpretation of Terms**

The terms used in this Decree shall be interpreted as follows:

1. Preferential rules of origin means the rules used to determine the origin of a good under a free trade agreement between two or more countries, which the good originating from the contracting countries of the agreement shall receive import duty exemption or reduction;
2. Non-preferential rules of origin means the rules used to determine the origin of import goods for the purpose of the application of most-favored-nation treatment, anti-dumping and countervailing duties, safeguard measures, quantitative restrictions, government procurement, and collection of trade statistics;
3. Substantial transformation means that a good is changed through a manufacturing process into a new one with the tariff heading, form, function, fundamental characteristic or end use diffe

## **Chapter II Preferential Rules of Origin**

### **Article 5. Preferential rules of origin under international agreements**

The determination of the origin of goods under preferences shall be made in accordance with the rules of origin under international agreements of which Lao PDR is a party.

### **Article 6. Preferential rules of origin under unilateral preferences**

The determination of the origin of export goods under unilateral preferences shall be made in accordance with the rules of origin of importing countries.

## **Chapter III Non-preferential Rules of Origin**

### **Article 7. Determination of origin of goods**

The determination of the origin of goods shall be made under the following provisions:

#### **1. Wholly obtained or produced goods**

The following goods are to be considered as being wholly obtained or produced in one country:

- (1) Plant and plant products grown and harvested, picked or gathered in that country;
- (2) Live animals born and raised in that country;
- (3) Products obtained from live animals referred to in sub-paragraph (2) above;
- (4) Products obtained by hunting, trapping, fishing, aquaculture, gathering or capturing conducted in that country;
- (5) Minerals and other naturally occurring substances, not included in subparagraphs (1) to (4), extracted or taken from its soil, waters, seabed or beneath its seabed;
- (6) Products of sea-fishing and other marine products taken from the high sea by vessels registered in the country concerned and flying the flag of that country;
- (7) Products obtained or produced on board factory ships exclusively from products referred to in sub-paragraph (6) above, provided that such factory ships are registered in that country and fly its flag;

- (8) Products taken from the waters, seabed or beneath the seabed outside the territorial waters, provided that that country has the rights to exploit such waters, seabed and beneath the seabed in accordance with the international law;
- (9) Waste and scrap products derived from manufacturing operations and used articles, if they are collected therein and are fit only for the recovery of raw materials; and
- (10) Goods which are produced in that country exclusively from goods referred to in subparagraphs (1) to (9) above.

## **2. Substantial transformation criteria**

Where many countries were involved in the production of goods, the country carrying out the last substantial transformation shall be regarded as the country of origin of that good.

The determination whether the last substantial transformation occurs as

When determining the origin of goods, indirect materials are not considered even though they might be used in the production process or not:

- Energy and fuel;
- Machine and tools;
- Plant, equipment, including safety equipment;
- Lubricants, greases and compounding materials;
- Gloves, glasses, footwear and clothing;
- Catalyst and solvents.

**Article 10. Determination of origin of packaging, accessories, spare parts, tools and goods not yet assembled or dismantled**

Packaging materials, accessories, spare parts, tools and instructional or other information materials which accompany goods are considered to have the same origin with such goods.

With respect to goods which have not yet been assembled or which are in a state of being dismantled and which are imported via a number of journeys due to transportation or manufacturing conditions, the origin of the goods on each journey shall be deemed to be the same origin.

**Chapter IV  
Implementation Procedures of the Origin of Goods**

**Article 11. Issuance of certificates of origin of export goods**

Issuance of the certificate of origin of export goods shall be carried out as follows:

1. An exporter wishing to obtain the certificate of origin of export goods shall submit a valid application to the authority issuing such certificate;
2. The issuing authority shall carry out examination of the origin of export goods and shall issue the certificate of origin of goods within 3 working days as from the date of receipt of a complete and valid application. In cases where it is necessary to conduct an inspection of the production process [factory visit], such timeframe may be extended but shall not exceed 7 working days; the authority shall not issue the certificate of origin to the applicant if such submitted application is invalid or incomplete;
3. If the customs authority or other competent bodies of the country importing goods from Lao PDR or if the competent authority of Lao PDR request an inspection of the authenticity of country of origin of goods, the authority or body issuing the certificate of origin of goods shall be responsible to verify

the origin of such goods and to notify such verification to the related authority making the request.

4. The certificate of origin issued by the issuing body shall be in a specified format.

**Article 12. Customs Declaration and pre-determination of origin of import goods**

**Customs Declaration and pre-determination of origin of import goods shall be carried out as follows:**

1. The importer shall present evidence on the origin of import goods on the basis of the criteria specified in Article 7 of this Decree.
2. The Customs authority of Lao PDR shall determine the origin of import goods at the time of customs clearance. The Customs authority may pre-determine the origin of import goods if the importer requests and files complete and valid application and documentation.

**Article 13. Assessment of Origin of Import Goods**

The request to assess the origin of goods shall be carried out as follows:

1. Any importer or other persons, with a justifiable cause, may request the Customs authority for an assessment of the origin of goods. The assessment should be carried out as soon as possible but no later than 150 days after a written request for such assessment has been submitted, provided that the request contains all necessary and complete information and evidence. The request for the assessment shall be approved before the trading of such goods or may be approved at any later point in time.
2. The decision on the origin of goods is valid for 3 years where the authenticity and criterion concerning the goods including the rules of origin used in that assessment remain unchanged;
3. The decision on the origin of goods will not be applicable when there is another decision that conflicts with the previous one and where the related agencies are informed;
4. The decision on the origin of goods shall be publicly accessed in accordance with the provisions of Article 16.2 of this Decree.

**Article 13. Presentation of the certificate of origin**

The importer shall present the certificate of origin of import goods to the Customs authority at the time of customs clearance in the following cases:



## **Chapter V**

### **Administration and Inspection Origin of Goods**

#### **Article 17. Administration agencies**

The government administers activities on the origin of goods centrally and uniformly across the country under the purview of the Ministry of Industry and Commerce and the Ministry of Finance in collaboration with other relevant agencies.

#### **Article 18. Rights and duties of the Ministry of Industry and Commerce**

In administering and inspecting the origin of goods, the Ministry of Industry and Commerce has the following rights and duties:

1. To formulate and adopt regulations, decisions, instructions, guidelines and notifications according to its roles;
2. To issue the certificate of origin of export goods or authorize the provincial and Vientiane Capital Industry and Commerce departments or the Chamber of Commerce and Industry to issue such certificate;
3. To supervise the implementation of activities on the origin of goods across the country;
4. To publish and disseminate all regulations and information on origin of goods through newspapers or other medias including its website to enable access by business operators, related government agencies, private sector and individuals;
5. To issue, suspend or withdraw the certificate of origin;
6. To consider and address all request on origin of export goods;
7. To build the capacity on origin of goods for government officials;
8. To engage in international coordination and cooperation related to the origin of goods activities;
9. To report to the government on origin of goods activities on a regular basis in accordance with the scope of its right and duties;
10. To follow other rights and duties as set out in the laws and regulations.

#### **Article 19. Rights and duties of the Ministry of Finance**

In administering and inspecting the origin of goods, the Ministry of Finance has the following rights and duties:

1. To formulate and adopt regulations, decisions, instructions, guidelines and notifications according to its roles;
2. To implement rules on the inspection of the origin of import goods;



3. To publish and disseminate all regulations and information on origin of goods through newspapers or other medias including its website to enable access by business operators, related government agencies, private sector and individuals;
4. To establish an information network system, reporting system on the origin of goods in order to provide service and facilitate the relevant authorities on the inspection of the origin of import goods;
5. To consider in the grant or refusal of eligibility for import duty reduction or exemption in accordance with the rules of origin;
6. To consider and address all request on the origin of import goods;
7. To build the capacity on origin of goods for government officials;
8. To engage in international coordination and cooperation related to the origin of goods activities;
9. To report to the government on origin of goods activities on a regular basis in accordance with the scope of its right and duties;
10. To follow other rights and duties related to origin of goods activities as set out in the laws and regulations.

**Article 20. Inspection Agencies on origin of goods**

Inspection agencies on origin of goods consist of:

1. Internal inspection agency which is the same the agency that administers the origin of goods as stipulated in Article 17 of this Decree.
2. External inspection agency such as the State Inspection Authority.

**Article 21. Subject matter of inspection**

The subject matter of inspection the origin of goods is as follows:

1. Implementation on the regulations on origin of goods activities;
2. Production process to ensure compliance with relevant laws and regulations;
3. Compliance of documentation on the application of the certificate of origin;
4. Authorization and provision by the laws and regulations.

**Article 22. Types of Inspection**

The types of the inspection of the origin of goods consist of regular inspection, inspection out of schedule with pre-notice, and urgent inspection.



