



compared to other areas. The Special Economic Zone receives special promotion privileges, has autonomous economic and financial system, applies the management and administration system according to the mechanism of 'smaller administration unit but wider society', is supervised by the Administrative Committee and the Economic Executive Board, has the system ensuring the security, the protection of fine national culture and the sustainable conservation of environment, has an area of one thousand hectares and over, may comprised ma

5. **Trade operations** refer to the use of materials, goods and various products for sale in their original form without processing or with some packing or minor modifications, such as: import-export trading operations, border trade, tax-free shop, wholesale trade, etc.
6. **Service operations** refer to the supply of labor or the supply of services to other persons through labor, intellectual, machinery, vehicles and other assets by receiving, in return, the payment of service charge, such as: transport, warehouse, hotel construction, tourism, banking, university activities and other public operations, such as: amusement parks, tourist places service and other services.
7. **‘Smaller administration unit but wider society’** refers to the management and administration of the SEZ through applying the mechanism of responsibility based on the scope of rights and duties of each zone, having its own seal and having the right to use it in making the contact, coordination and agreement with all parties within the country and in foreign countries in a widely manner;
8. **Development linked with environmental protection** refers to the development of SEZ that ensures the balance of ecological system and biodiversity for which the developer and investors shall not cause the adverse impact on environment and shall particularly have the plan for restoring the environment and maintaining it in good condition as well as taking measures to avoid long term impacts including disposal of solid waste, rubbish, poisonous and toxic substances, toxic chemicals, air pollution, noise which may affect the environment, human and animals health.
9. **Turning land into capital of the SEZ development sectors** refers to the development of land in a focused manner and for turning such land into capital (share holding, collection of leasing charges or concession royalty, use of SEZ land as guaranty) in order to ensure profitable development;
10. **Development of SEZ to achieve economic effectiveness** refers to full utilization of the natural resources potentials and the promotion policies granted by the Government to the SEZ in the formulation of policy and strategy for the development of SEZ in such manner that ensures maximum economic benefits.
11. **Development of SEZ to achieve effectiveness in social field** refers to the change of the living style of the population in SEZ in line with the standard level toward achieving the millennium goals of sustainable development ;
12. **Citizens** refers to peoples holding Lao nationality, honorary persons, aliens, persons having no nationality, labour, experts, domestic and foreign investors who live and undertake business, production and service operations in a SEZ ;
13. **Regional and international economic integration** mean allround economic integration of the SEZ with ASEAN economic zone and with regional and international economy ;
14. **Highly competitive area** mean the area where the administrative mechanism and enterprise management mechanism in accordance with market mechanism are fully and practically developed.

#### **Article 4. State Policy on SEZ**

The State has a policy to promote all economic sectors, both domestic and foreign, to invest in the development of the SEZ by granting special and specific privileges to SEZ to consider and approve the investment, business operations, production, services, revenue-expenditure, administration and management based on the mechanism of ‘smaller administration unit but wider society’ for the special economic zone, one-stamp mechanism for the specific economic zone, maintenance of peace and security, sustainable environmental protection and other special policies as in accordance with this Decree and the agreement between the Government and the Developers.

#### **Article 5. Principles on the Establishment and Operations of the SEZ**

The principles on the establishment of the SEZ shall comply with the provisions specified in Article 34 of the Law on Investment Promotion.

In addition to the principles of operations of the SEZ provided in Article 40 of the Law on Investment Promotion, SEZ also operates in accordance with the following principles:

1. Respect and comply with the Constitution, laws, this Decree and the concession agreement;
2. To be autonomous and self-determined in terms of economic management and administration;
3. Ensure the equality between domestic investment and foreign investment within the SEZ;
4. Ensure tranquility, order, unity and solidarity, and promotion of fine Lao national culture;
5. Ensure sustainable development and environmental protection;
6. Ensure the management and administration of the “Smaller Administration Unit but Wider Society”;
7. To be under the macro management of the Government and the NSEZC or the Local Administration assigned by the Government.

#### **Article 6. Strategy and Development of SEZ**

The Government formulates the strategic plan for SEZ development on the basis of the National Socio-Economic Development Plan in each period in order to contribute to the improvement of the policy on transforming the assets into capital, particularly the policy of transforming land into capital. In addition, it is also to contribute to the improvement of open-door policy for regional international economic integration (a single market which is mainly based on the production base; it is the area having high competitive capacity level; it is the area with balanced and equal level of economic development; and it is the area being fully integrated with the world economy), and to contribute to the improvement of industrialization and modernization policy.

The development of SEZ is a form of development in line with the mechanism of using land in a focused manner, the protection of environment, the social and economic development aiming at

## **Section II**

### **Procedures for the Establishment of the SEZ**

#### **Article 10. Documents for Applying for the Establishment of the SEZ**

Persons having the intention to establish the SEZ shall submit the application to the NCSEZ through the S-NCSEZ comprising the following documents:

1. Technical and economic feasibility study report;
2. Master plan for development;
3. Social and environmental impacts assessment report;
4. Draft contract for the development of SEZ project;
5. Documents certifying the financial status;
6. Documents certifying individuals or legal person status;
7. Other concerned documents.

#### **Article 11. Criteria of Eligible Persons to be Granted with a Licence for the Development of the SEZ**

Persons granted with a licence for development of the SEZ shall have the following criteria :

- Having legal person status;
- Having the experiences in undertaking business operations of at least 5 years;
- Having sound financial status duly inspected and certified by reliable local or foreign financial institution.

#### **Article 12. Procedures for Considering the Establishment**

The procedures for considering the establishment of the SEZ are as follows:

1. Persons having the intention to develop the SEZ shall submit the application for the establishment of the SEZ to the NCSEZ through the S-NCSEZ by utilizing the specified forms;
2. After having received the application for the establishment of the SEZ, the NCSEZ shall coordinate with concerned sectors and local administrative organization to undertake the study and submit the proposal to the Chairman of the NCSEZ concerning the appointment of a SEZ Establishment Committee to take charge of conducting a preliminary feasibility study of the creation of the SEZ;
3. After being officially appointed, the SEZ Establishment Committee shall convene its first meeting to hold discussion, make division of works and prepare detailed work plan. The Chief of this committee has the right to appoint the secretariat to assist the committee in the implementation of the assigned works and ensure successful outcome;
4. The NCSEZ summarizes the findings of the study, the outcome the concession agreement negotiation and the findings of the research of the SEZ Establishment Committee for reporting to the meeting of the standing and non-standing Secretariat and, thereafter, submitting to the NCSEZ for consideration on the basis of the written certification and approval of the SEZ Establishment Committee;
5. The NCSEZ considers and approves or rejects the establishment of the SEZ. In case of approval of the establishment of the SEZ, the Chairman of the NCSEZ shall issue a Decision declaring the establishment of the SEZ and the NCSEZ shall issue the SEZ Concession Registration Certificate. In case the application for the establishment of the SEZ is beyond the scope of its rights and roles, the NCSEZ shall submit it to the Government for consideration;
6. In case the NCSEZ rejects the establishment of the SEZ, the NCSEZ shall notify the rejection to the SEZ development applicant including the reasons of the rejection;
7. In case of projects lying in the SEZ Master Development Plan which is not in the SEZ Master Development Plan, the NCSEZ shall consent of

bidding or evaluation performed by the NCSEZ in coordination with the sectors and local administration concerned.

### **Article 13. Organizational Structure and Term of Office of the SEZ Establishment Committee**

The Organizational Structure of the SEZ Establishment Committee is as follows:

1. Governor or the Vice Governor of the Province where the SEZ is located or other suitable individual as chief of the Committee;
2. Chief or Deputy Chief of S-NCSEZ and/or other suitable sector as deputy chief of the Committee, and a number of members who are from concerned sectors, local administration and developers.

The term of office of the SEZ Establishment Committee shall not exceed six months and, in case of necessity and adequate justification, may be further extended to a maximum period of six months based on the request of the S-NCSEZ.

### **Article 14. Rights and Functions of the Establishment Committee**

In addition to the rights and functions specified in Article 37 of the Law on Investment Promotion, the SEZ Establishment Committee has also the following rights and functions:

1. Study and formulate the Master Plan for allround development of the SEZ by coordinating with concerned sectors and local administrative organizations;
2. Resolve various problems related to the creation of the SEZ, such as: land problems, interest of the peoples in the SEZ;
3. Ensure the compensation of the benefit of the peoples in accordance with relevant regulations and make the arrangement for the resettlement of the peoples affected by the project;
4. Study the promotion policy and various conditions which are to be included in the concession agreement between the Government and the Developers;
5. Coordinate with the NCSEZ to undertake the negotiation with the developers and prepare the first draft of the agreement for submitting to the NCSEZ for consideration;
6. In case of necessity, hire local and foreign consultants or experts to assist in carrying out the study on the creation of the SEZ until successful completion. The cost of this service shall be taken charge by the company of the developer.
7. The Establishment Committee and the developer submit the findings of the development feasibility study to the meeting of the standing and non-standing NCSEZ for concluding the findings of the development feasibility study and giving macro directions to the project with the aim of ensuring effective development and compliance with the national socio-economic development plan;
8. The Establishment Committee and the developer hold the discussion and make the improvement of the issues which are not yet clearly determined in accordance with the direction given by the meeting as mentioned in Paragraph 7 above in order to give written certification to the S-NCSEZ for reporting to the NCSEZ;
9. Study and make the proposal on the personnel who are to be included in the SEZ Administration Committee and/or Economic Executive Board which is to be submitted to the NCSEZ Chairman for appointment;
10. Submit to the NCSEZ meeting for consideration and approval.

### **Article 15. Termination of Operations of the SEZ Establishment Committee**

The operations of the SEZ Establishment Committee shall be terminated in any of the following cases:

1. The Government or the NCSEZ has taken the decision to officially establish the SEZ

development of all basic infrastructures and public utilities of the zone in which the State may make the contribution in the capital in the form of land use right and hold the share of at least thirty percent (30%) or may make the contribution in the capital in other forms as agreed by the two Parties, while the private developers shall make the contribution to the share capital in cash and assets;

3. Development investment wholly (100 %) made by private sector which refers to a SEZ where the domestic or foreign private sector invests in the development of all basic infrastructures and public utilities of the zone by using the developers' own budgets.

## **Article 20. Implementation of Development Works**

The implementation of development works of the SEZ shall be related to the following important tasks:

- Research and formulation of the plan for the development of the SEZ in each period (short term, medium term and long term) and assessment and analysis of the outcomes;
- Research and determination of policy for promoting the development of the SEZ including the mechanism for coordinating with various sectors;
- Research on technical methods and measures for protecting the environment;
- Development of SEZ through laws and regulations including the zoning plan;
- Research for developing the management, administration and financial mechanisms for the SEZ that can ensure transparency and accountability;
- International cooperation in technical field and in exchange of lessons.

## **Article 21. Investments in the SEZ**

The investments in the SEZ are comprised of:

1. General investments;
2. Promoted investments .

## **Article 22. General Investments**

Developers and investors can invest in all sectors within the SEZ, except the activities prohibited by the Government, such as: purchase, sale and production of weapons, drugs, toxic chemicals, activities causing destructive effects to environment and to people's life and properties, the services that have contradicting effects to the laws, maintenance of peace, order and to the fine local and national culture. General investments are not entitled to receive promotional privileges from the SEZ.

## **Article 23. Promoted Investments**

Promoted investments activities are determined by the SEZ Administration Committee or Economic Executive Board, such as: electronic industry, research on science and new technology for using in the production, production of modern construction materials, tourism infrastructures, clean agricultural production and processing, organic products, production for export, forestry, schools, hospitals, public parks and other activities as the SEZ considers to be suitable and to have the potential.

## **Article 24. Rights and Obligations of SEZ Developers**

Developers of the SEZ have the main rights and obligations as follows:

1. Exercise the right of self-determination with regard to the investment in development, the management and administration of their investment activities, the hiring of labour, the place of residence, the repatriation of fund, assets and income to foreign countries as provided in Articles 64, 65, 66, 67 and 68 of the Law on Investment Promotion;



2. Perform the main obligations including the obligation concerning the protection of environment as specified in Articles 69 and 70 of the Law on Investment Promotion;
3. Perform the obligation of making the contribution to the human resource development fund accordingly to the concession agreement between the Government and the Developers;
4. Perform and recover the capital in accordance with the contract between the Government and the Developers;
5. Perform other rights and obligations as prescribed in the contract, this Decree and the SEZ specific regulatory statutes .

#### **Article 25. Rights and Obligations of Investors in SEZ**

Investors in the SEZ shall comply with the rights and obligations provided in Articles 63, 64, 65, 66, 68, 69 and 70 of the Law on Investment Promotion and shall perform the rights and obligations specified in the contract.

#### **Article 26. Activities within the SEZ**

Activities within the SEZ are as follows:

- Application for investment;
- One-door investment services;
- Import and Export;
- SEZ entry and exit;
- Protection of fine national culture and conservation of environment;
- External relations.

#### **Article 27. Application for Investment in SEZ**

Any individual or legal entity, both domestic and foreign, who wishes to invest in the SEZ shall submit the application for investment on determined form to the Administration Committee or to the Economic Executive Board of the SEZ, as the case may be.

The Investor can submit the application for investment via fascimile, electronic mail or by hand directly to the Office of One-Door Investment Services of the SEZ, as the case may be.

#### **Article 28. One-Door Investment Services**

One Door Investment Services shall comply with the principles and mechanism of implementation as specified in Articles 45 and 46 of the Law on Investment Promotion.

The Administration Committee or the Economic Executive Board of the SEZ establishes a One-Door Investment Services Office, depending on case, to provide the facilities for both domestic and foreign investments, such as: the issuance of Enterprise Registration Certificate, the provision of information, investment services and other services.

#### **Article 29. Imports and Exports**

All imports of goods, materials, vehicles, machineries, raw materials, semi-finished products (except fuel) which are to be used within the SEZ shall be performed in compliance with the specific regulations of the zone.

The exports of these goods to inside the country and to foreign countries shall be performed in accordance with the laws and regulations of the Lao PDR, the contracts and the International Convention that Lao PDR is a signatory.

The Administration Committee or the Economic Executive Board of the SEZ is charged with certifying and reporting the imports and exports, depending on case, to the NCSEZ on a regular basis.

### **Article 30. SEZ Entry and Exit**

The entry to and the exit from the SEZ shall be subjected to the control performed by the check-post at determined places.

### **Article 31. Protection of Environment**

The SEZ Administration Committee or the Economic Executive Board is charged with defining the rules and regulations concerning the management and protection of the environment and natural resources in compliance with the laws of the Lao PDR and to ensure sustainable development.

### **Article 32. External Relations**

SEZ has the right to make the contacts with other companies, local and foreign organisations in accordance with the laws of the Lao PDR.

Organizations and sectors outside the SEZ are charged with providing the facilities, cooperation, assistances and advices to enable the SEZ to effectively perform its activities in consistence with the rights and duties of the SEZ.

## **Section IV Transforming SEZ into City**

### **Article 33. Criteria for Transforming a SEZ into a City**

The transforming of a SEZ into a City shall be based on the criteria specified in Article 12, Section 2 of the Law on Local Administration. The details are as follows:

- Being a large urban area; being the political, economic, cultural and social centre;
- Being the centre for business, production, trade, service and tourist activities;
- SEZ has 0f0.335D0.0005 TcPThtdt 0 n947effectiv2571.4959.(Thdt 3oessl 47eftiesub11.-utTD-0.00D0.00

## **Section V**

### **Promotion Privileges**

#### **Article 36. Promotion Privileges**

According to the provisions in Article 59 of the Law on Investment Promotion, in addition to the promotion privileges specified in the Law on Investment Promotion, the SEZ is also granted with the promotion privileges as follows:

- Becoming a ‘smaller administration unit but wider society’ unit (for Special Economic Zone) or ‘One-stamp system’ (for Specific Economic Zone) in accordance with the new administration and management mechanism policy oriented toward industrialization and modernization;
- Receiving full rights in the development and management of the SEZ;
- Being able to perform economic and financial managing in an independent manner;
- Implementing the policy of one-door investment services;
- Determining the leasing charges of land and of other fixed and movable assets in its zone;
- Receiving other privileges as provided in the laws and regulations.

#### **Article 37. Privileges Granted to Developers and Investors in SEZ**

Developers and investors in SEZ are entitled to receive the privileges as following:

1. Special privileges on tax and duty based. The Administration Committee or the Economic Executive Board of the SEZ is charged with considering the exemption or reduction of the rates of custom duty and taxes of various types to be granted to the investors based on the sectors, activities, size of investment; however, the maximum exemption or reduction rates shall not exceed the rates provided in the Customs Law and Taxation Law;
2. Receiving the exemption of duty and tax on the import of fuel during the construction period for the developers of SEZ located in remote area and in area with hard geographical condition (not the SEZ in general), and it is required to make the import annual plan which is to be considered by the NCSEZ;
3. Import of fuel for investors and other entrepreneurs in the SEZ shall be subjected to the payment of tax and duty in accordance with the Law on Investment Promotion, Law on Customs and Law on Taxation;
4. Import of raw materials from within Lao PDR for using in various activities of the SEZ shall be considered as export of goods and shall be entitled to receive the duty and tax privilege in accordance with the laws;
5. Having the promotion privileges through land use right and ownership of other fixed assets as in accordance with Article 58 of the Law on Investment Promotion;
6. Receiving the right to reside in the territory of the Lao PDR along with the family during the period of the development investment contract;
7. Receiving the right to hire labour accordingly to the provision specified in Article 66 of the Law on Investment Promotion;
8. Receiving the facilities in the provision of information on investments and other information;
9. Receiving the congratulations in various forms according to the performances of the developers and investors;
10. Receiving honorary citizen status in accordance with the regulations.

#### **Article 38. Protection of Rights and Benefits of Developers and Investors in SEZ**

The Government recognizes and protects the rights and benefits including the assets of the developers and investors in the SEZ as provided in Articles 60, 61 and 62 of the Law on Investment Promotion.

The Government recognizes and protects the rights and benefits of the developers in accordance with the SEZ Concession Agreement and with Article 37 of this Decree.

**Article 39. Land Lease**

Investors in the SEZ who lease the land for a long period shall be entitled to receive the privilege of leasing the land in accordance with the method and the rate of lease defined by the Administration Committee or the Economic Executive Board of the SEZ.

**Article 40. Access to the Sources of Fund**

Investors can have the access to the sources of fund, such as: loan from commercial banks and other financial institutions in Lao PDR and in foreign countries.

**Article 41. Deduction of Expenditure**

Developers and investors in the SEZ are able to deduct the amount of expenditure for personnel training from the taxable annual profits.

**Section VI  
SEZ Land**

**Article 42. Determination of Land Areas**

**Article 46. Creation of Check Posts**

The SEZ Establishment Committee shall coordinate with the National Defense and Public Security sectors, the National Border Supervision Committee (Ministry of Foreign Affairs), the Custom Authority and the concerned local sectors to establish the international and local check posts of the SEZ.

**Article 47. Expansion of SEZ Development Area**

Developers who wish to expand the SEZ development area shall submit the application to the NCSEZ or to the Government for consideration.

**Article 48. Relation with Local Administration**

The local administration where SEZ is located shall provide the assistance and cooperate with the SEZ Administration Committee or Economic Executive Board, depending on the case, with regard to land survey and allocation, compensation for the construction, etc...

**Article 49. Term of SEZ Development**

Developers are entitled to develop the SEZ for a maximum period not longer than 99 years and may be extended depending on the case based on the approval of the Government, particularly in case the investors have executed the project that bring highest benefits to the country, have implemented the contract effectively and have good performances in making the contribution to the local development.

Upon the termination of the term of the SEZ development investment, the State shall take charge of the management and administration of the SEZ, su

2. The payment within the zone shall be made in Kip currency and the payment with foreign countries shall be made accordingly to the contract and valued in Kip equivalence;
3. The Bank of the Lao PDR shall be charged with supervising and controlling the circulation of foreign currencies in the SEZ in accordance with banking laws and regulations.

#### **Article 53. Use of Accounting Regime**

The accounting regime of the developers and investors within the SEZ shall comply with the accounting regime prescribed in the Accounting Law of the Lao PDR . Other international accounting regimes may also be used subject to the approval of the S-NSEZC and the possibility for the State Audit Authority to perform the audit.

#### **Article 54. Circulation and Use of Foreign Currencies**

Revenue from the sale of goods, the services and other incomes of the investors in the SEZ which are in foreign currencies shall be transferred to the accounts that they

- § Each payment is approved by the meeting of the Administration Committee and/or the Economic Executive Board of the SEZ.
- § The salary, bonus, and pension allowances for the Government staff working in the SEZ shall not be lower than the rate of salary, bonus, and pension allowance of civil servant and shall be based on the level of economic expansion of the SEZ.
3. The distribution and the responsibility concerning the (budget ) revenue and expenditure between the Government and the developers shall be carried out in compliance with the regulation on share-holding calculated in each period of 5 years, 10 years, 20 years, 50 years,... as mentioned in the Concession Agreement. In case the developer is the State or n
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**Article 65. Protection of National Culture and Environmental Conservation**

The Administration Committee and/or the Economic Executive Board of the SEZ shall make a plan, allocate a budget and create the fund for the management, protection of national culture and development of the environment within the SEZ.

The developers and investors ensu

**Article 71. Management of Statistical Data**

For the management of the statistical data within the SEZ, the Administration Committee and/or the Economic Executive Board of the SEZ shall issue regulations on the management in consistence with the law and regulations on statistics in order to ensure the link with the S-NCSEZ.

**Article 72. Management of Research and Analysis Works**

For the management of the the research and analysis works in the SEZ, the Administration Committee and/or the Economic Executive Board of the SEZ shall issue regulations on the management in consistence with relevant law and regulations.

**Article 73.**

With regard to the administration within the SEZ, the administrator shall perform in accordance with the main principles as follows:

1. Specific legal acts of the SEZ;
2. Concession Agreement between the Government and the Developer;
3. Transparency;
4. Accountability;
5. Effectiveness;
6. Chemical-free;
7. Environmental production;
8. Sustainable development.

#### **Article 81. Inspection of the SEZ**

The inspection of the SEZ shall be performed in compliance with Part IX, Section 3 of the Law on Investment Promotion and is able to use other audit organizations as specified in the Concession Agreement.

### **Section X Management Organisations of the SEZ**

#### **Article 82. Management Organizations of the SEZ**

The management organizations of the SEZ in the Lao PDR are composed of the following:

1. Government;
2. National Committee for Special Economic Zone and Specific Economic Zone, written in abbreviation in Lao as ກົມສະເພາະເຂດເສດຖະກິດພິເສດ, written in English as : National Committee for Special Economic Zone, and in abbreviation in English: NCSEZ;
3. Secretariat to National Committee for Special Economic Zone and Specific Economic Zone, written in abbreviation in Lao as ດູແລງກົມສະເພາະເຂດເສດຖະກິດພິເສດ, written in English as : Secretariat to National Committee for Special Economic Zone, and in abbreviation in English: S-NCSEZ;
4. Concerned Ministries and Agencies;
5. Local administrative organizations;
6. Administration Committee and Economic Executive Board of the SEZ of each zone;
7. Advisory Committee.

#### **Article 83. Rights And Duties of the Government**

For the management of the SEZ, The Government has the rights and duties as follows

1. Formulate the policies and issue legal acts relating to the development and management of the SEZ;
2. Supervise the security and safety, and directly lead the tasks of national defense and public security;
3. Consider and approve the budget for the activities of the NCSEZ including the development and management of SEZ throughout the country;
4. Give advises and mobilize major developers and investors to develop land invest in SEZ.

#### **Article 84. NCSEZ**

NCSEZ is comprised of:

1. Deputy Prime Minister, Standing Member of the Government as Chairman;
2. Minister of Ministry of PsTDO f th2 01 ຄ.29 -1.1th

3. Minister of Ministry of Industry and Commerce as Deputy Chairman;
4. Minister of Ministry of Public Works and Transport as Deputy Chairman;
5. Minister of Ministry of Finance as member;
6. Minister of Ministry of Justice as member;
7. Minister of Ministry of Information and Culture as member;
8. Deputy Minister of Ministry of National Defense as member;
9. Deputy Minister of Ministry of Public Security as member;
10. Deputy Minister of Ministry of Foreign Affairs as member;
11. Deputy Minister of Ministry of Agriculture and Forestry as member;
12. Deputy Minister of Ministry of Labour and Social Welfare as member;
13. Vice Governor of Bank of the Lao PDR as member;
14. Deputy Chief of National Land Management Authority as member;
15. Vice Minister, Vice Chairman of National Tourism Authority as member;
16. Deputy Chief of PACSA as member;
17. Deputy Chief of Water Resource and Environment Agency as member;
18. Member, Government Secretariat as member;
19. Head of the Secretariat to NCSEZ as member.

The organization and activities of the NCSEZ and of the S-NCSEZ, a standing organization of NCSEZ with second-level budget, are determined in a separate regulation.

#### **Article 85. Rights and Duties of Ministries and Agencies Concerned**

Concerning the works of the SEZ, the Ministries and Agencies concerned have the main rights and duties as follows:

1. Provide the promotion privileges, facilitating and managing the investment activities in the SEZ which are related with their respective sectors;
2. Give advices, follow-up the implementation of the laws and regulations in the SEZ which are issued by their respective sectors;
3. Organize the training, upgrade technical skill for the SEZ personnel to allow them to achieve the required standard of their job description based on the request of the SEZ.

#### **Article 86. Rights and Duties of local Administrative Organizations**

The local administrative organizations have the main rights and duties as follows:

1. Lead the tasks of public security of the SEZ as well as ensure the security and order in the SEZ located in their locality;
2. Take charge with the management and monitoring of the activities of the SEZ;
3. Follow-up the exercise of the legitimate rights and benefits of the people, State, developers and investors;
4. Provide facilities in various fields to the development and investment.

#### **Article 87. Rights and Duties of the Districts where the SEZ is Located**

The districts where the SEZ is located have the main rights and duties as follows:

1. Coordinate with the Administration Committee and the Economic Executive Board of the SEZ in formulating the development plan of the SEZ and the surrounding areas;
2. Provide the facilities for land allocation, relocation and livelihood of the peoples in the areas surrounding the SEZ based on the approved plan;
3. Make the arrangement and organize the vocational training; provide jobs for the people as required in the SEZ;



11. Summarize and reports the outcomes of the activities to the NCSEZ, Provincial Administration and line agencies of the central level in regular manner;
12. Perform other rights and functions as provided in the laws and regulations.

#### **Article 92. SEZ Economic Executive Board of each Zone**

The SEZ Economic Executive Board of each Zone is comprised of:

1. Chairperson of the Economic Executive Board;
2. Deputy Chairperson of the Economic Executive Board (1-3 persons);
3. A number of members, as appropriate.

#### **Article 93. Appointment of the Economic Executive Board**

The Chairperson, Deputy Chairpersons and members of the SEZ Economic Executive Board are appointed or dismissed by the Chairperson of the NCSEZ based on the proposal made by the S-NCSEZ in coordination with concerned sectors and local administrative organizations.

Regarding the appointment or dismissal of the Deputy Chairperson of the SEZ Economic Executive Board who is a foreigner, it is required to conduct the check on his/her biography accordingly to the consent and proposal of the Chairperson of the Economic Executive Board.

#### **Article 94. Rights and Duties of the Economic Executive Board**

The SEZ Economic Executive Board has the main rights and duties as follows:

1. study and formulate the economic development plan, programmes and projects of investment for the period of 6 month, 1 year, 5 years , 20 years, and other period until the project life is expired;
2. Study the regulations on the management and administration of the economy;
3. Study and implement the policy of investment promotion in compliance with the Law on Investment Promotion, particularly the approval of the import and export in the SEZ;
4. Exploring the revenue, prepare and implement the budget of the SEZ;
5. Organize the collection of various revenues of the SEZ;
6. Provide the information, consider the investment and conduct the evaluation of the investment;
7. Encourage, promote and provide the facilities to the business units within its zone;
8. Resolve the disputes in collaboration with the SEZ Administration Committee and the Advisory Committee for disputes settlement;
9. Fullfil the obligations to the State in accordance with the Concession Agreement and this Decree;
10. Develop, use and manage the employees and workers who are under its responsibility;
11. Ensure cultural, social, education and public health development;
12. Protect the internal and external solidarity, ensure security and order within the SEZ ;
13. Protect the environment to ensure sustainable development;
- 14.

Article 94 of this Decree;

2. In case of State and private sector jointly invest in the development, the management and



In addition to the measures specified in Article 97 of the Law on Investment Promotion, an individual or legal person who violates this Decree shall also be subjected to various measures, depending on the severity of the case.

