

## CUSTOMS LAW

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**LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**PEACE                      INDEPENDENCE                      DEMOCRACY                      UNITY                      PROSPERITY**

National Assembly

No. 4/94/NA

**CUSTOMS LAW**

Part I

General Principles

Chapter 1

General Provisions

Article 1

The taxation law provides rules and principles on the import, export and circulation of commodities within the Lao PDR in view of protecting, encouraging the local production of commodities and services, promot



Part II  
Declaration of Goods

Article 12

Export goods shall be accompanied with a bill of loading, a detailed customs declaration form and shall be controlled by customs officers.

Article 13

Goods imported through land border shall be transported along routes determined by the authorities and declared to the nearest customs office or station. It is forbidden to use other routes, to store goods in a building or to run through the station. Any violation will be considered as voluntary tax evasion.

At the Arrival to the customs station, imports shall present bills of loading as temporary declarations to the customs officers for registration of warehouse entry and proceed to detailed customs declarations according to Article 16 of this Law.

Article 14

Goods transported by air shall be accompanied with airway bills certified by airline officers. At the landing to the point of entry airport, airline officers shall present such airway bills to the airport customs for registration of warehouse entry and detailed customs declarations.

Aircraft flying international routes shall land in airports specified by the authorities, except in case of emergency.

Article 15

All types of import commodities by boat on international rivers shall be accompanied with shipping documents. Such documents shall be certified by the ship's owners and shall contain all information as required in the forms. Crafts sailing on international rivers, whether transporting shipments or not, shall only stop at ports where customs stations are established. The crafts' owners shall immediately declare the shipment to the customs officers after the crafts' arrival or before its departure.

Part III  
Detailed Customs Declarations  
And Payment of Customs Duties

Chapter I  
Detailed Customs Declaration

Article 16

All types of export or import goods shall be declared in detail and according to the Tariff Code even if duty exempted.



Article 23

Inspection of goods shall always take place in the presence of the declarers.

In case of difference between customs officers and declarers on information provided in detailed customs declarations, such as on the type, code number, country of origin of goods, customs officers shall forward the matter of difference to the investigation committee appointed by specific regulations for decision.

In case of difference regarding prices, and if the investigation committee has determined the commodities prices, but the declarers still refuse to comply, the customs authorities may purchase such goods at the declared price with an additional compensation of fifteen percent of the declared value. At the purchase of the goods, the difference will be resolved.

Article 24

Part IV  
Guarantee, Customs Duty Suspension, Temporary Import  
And Export and Specific Regimes for Certain Types of Goods

Chapter 1  
Removal of Guaranteed Goods

Article 28

The transportation of customs controlled goods by land, water and air from one place to another within the customs territory shall be accompanied by guaranteed goods removal permits.

The removal of such goods may be guaranteed by a deposit of equal value to the customs duties or may be guaranteed by a reliable financial institution or legal entity or individual. The removal of prohibited goods shall be accompanied by specific permits issued by the authoritative state agencies.

Article 29

Importers or transporters shall strictly comply with all wordings contained in the guaranteed goods removal permits. Transporters shall present such removal permits to the customs officers along used routes.

Article 30

As goods are delivered to the specified point of destination, transporters shall immediately present removal permits and guaranteed goods to the customs office for detailed customs declaration according to the customs regime. Inspection of goods shall proceed according to the rules and principles applicable at the point of destination. If the customs duty remains payable, the customs office at point of destination shall collect such customs duty in totality and proceed similarly to import goods for local consumption, except if such goods are categorized under other customs regimes.

Article 31

As customs officers certify that the specified conditions have been fully and



The transportation of such goods shall be accompanied with guaranteed goods circulation permits. If such goods do not belong to the category of goods prohibited from export or exempted from export duty, their transportation may be authorized by normal circulation permits.

#### Article 33

Transported commodities from abroad under the transit regime through the Lao PDR to a third country shall be accompanied with guaranteed transit goods permits issued by the customs at the point of departure and will be exempted from customs duties according to specific regulations. Owners or transporters of transit goods shall present guaranteed transit goods transport permits to customs officers along used routes and the border customs at the point of export.

The guarantee agreement contained in the guaranteed transit goods transport documents shall expire only when certified by border customs officers at the point of export that such goods have exited from the Lao PDR. Guarantee agreements shall be terminated specifically for the actual quantities and types of goods exported from the Lao territory only.

### Chapter 3 Warehouse System

#### Article 34

The warehouse regime is a regime for the storage of locally produced or import goods which are to be exported by business operators or locally consumed, for a definite period of time with customs duty suspension and under the control of the customs authorities pending the implementation of the customs regime.

Warehouses included in the warehouse regime includes 4 categories:

- Real warehouse,
- Special warehouse,
- Fictive-warehouse,
- Industrial warehouse,

Businessmen shall be authorized to use the warehouse regime according to conditions outlined by Government.

The Minister of Finance shall authorize the establishment of a warehouse regime, and outline regulations on warehouse construction sites, their organization, the use, the supervision and the determination of the storage period for each type of goods.

#### Article 35

Real warehouses store general goods pending their removal from the warehouse according to the customs regime and under the supervision of the customs authorities.



Chapter 4  
Temporary Importation and Exportation

Article 43

Goods classified under the regime of temporary importation include:

- Imported goods for any purpose then re-exported in the original quantity and condition,
- Imported goods for processing, assembly into finished products, improvement and repair, then re-exported,
- Goods classified under the temporary import regime will be exempted from duty

Article 49

Regarding certain prohibited personal belongings, exporters shall be authorized to export before their departure only when approved by the authoritative state agencies and as a third person guarantees that such belongings shall return in their original number and conditions.

In case exported belongings are not re-imported, exporters or guarantors shall be liable before the Laws.

Chapter 6

Specific Regime for Certain Types of Goods

Article 50

The Customs radius is the customs officers' control area, which covers up to thirty kilometers from the border into the customs territory. However, in view of ensuring control and the restriction of illicit trafficking, the customs radius may be extended as approved by the Government.

Any circulation of goods within the customs radius shall be accompanied with goods circulation permits issued by the customs authorities.

Article 51

Within the customs radius, as well within the customs territory, no family shall be allowed to store, retain or possess goods in excess to the family's need, except if a family is in possession of documents certifying their lawful acquisition.

Part V

Retention of Goods Under The Customs' Specific Management

Chapter 1

Goods Kept Under the Customs' Specific Management

Article 52

Goods to be kept under the customs' specific management:

- Goods, which have not been declared in detail in due, time as provided under Article 17 of this Law.
- Goods remaining in warehouses for other reasons.

The above-mentioned goods shall be recorded in a specific customs register. Warehouse fees, deterioration and loss shall

Article 53

As goods are recorded in specific customs registers their owners are entitled to claim them back within four months but shall:

- Pay fines as provided in Article 90 of this Law in the case of goods intended for exportation, entry in the warehouse system or in the duty free zone.
- Pay duties and fines as provided in Article 90 of this Law for import goods intended for local consumption.

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Part VIII  
The Use of Boats for the Transportation  
Of Passengers of Shipments Along Border Rivers

Article 61

Any craft which owner resides in Laos and conducts the business of transporting passengers or shipments along border rivers shall be properly registered according to the laws and regulations.

Such crafts shall stop at ports with customs or where the customs are located, except in case of emergency; before loading or unloading the commodities, the craft owner shall present the ship log and shipping documents to the customs officers for control.

Before departing or after accosting the port or in case of an inspection on board, the ship log and shipping documents shall be presented to customs officers for control whether containing shipments or not.

In case of sale, transfer, cession of the craft, or in case of change to the features of the craft or cessation of navigation, the craft's owner shall notify customs officers and relevant agencies where the craft is registered, within twenty days from such change.

Part IX  
Prosecution

Chapter 1  
Ascertainment Of Customs Regulations Violation

Article 62

As violations to the customs law and regulations are ascertained, customs officers are entitled to seize goods and vehicles, including relevant documents as evidence for prosecution, and other officers and all citizens have the obligation to co-operate with customs officers.

In case of flagrant offence, customs officers are entitled to incarcerate the offender, while other officers and all citizens are entitled to seize goods and arrest offenders. Arrests shall comply with the conditions provided in the Law on Criminal Procedures.

Seized goods, vehicles and documents, together with the incarcerated individuals  
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Article 66

In case of fines, confiscation of goods or sale of confiscated goods after the lawsuit, civil servants or citizens having contributed to such activity, shall be congratulated by the Government or be given bonuses which will be governed by separate regulations outlined by the Government.

Chapter 2  
Transaction

Article 67

Customs authorities are entitled to solve customs lawsuits at the offender's agreement to transact.

Article 68

In case the offender agrees to pay duties and fines as provided in the customs statement, customs officers shall establish a statement of transaction which will clearly provide the offender's transaction.

Duties and fines shall be immediately payable. In case immediate payment is not feasible, payment shall be made within fifteen days at the latest from the day the statement of transaction is made. After payment, non-prohibited goods and transport vehicles and materials used for concealment shall be returned to their owners.

Chapter 3  
Procedures

Article 69

Customs authorities shall be entitled to induce procedures against offenders in the following cases:

1. No transaction for the payment of duties and fines;
2. Failure to comply with the statement of transaction;
3. Unknown identity of seized goods' and vehicles' owners;
4. Severe offence belonging to general criminal offences.

Article 70

To induce procedures, customs authorities shall present a file to the authoritative people's prosecutor for the pursuance of procedures. Such file shall be presented in the form of an application, providing a summary of the offence, accusations, violated articles and purpose of the procedure to which the statement and other necessary documents shall be attached.

Article 71

During the performance of their duties, any call for assistance from customs officers shall be answered by the various agencies and armed forces.

Article 72

Article 82

Those having entered agreements with the customs authorities shall strictly comply with such agreements.

Article 83

Collusion in customs infractions shall be subject to the conditions pertaining to





Article 97

If goods which should be confiscated, are seized or not, but if there is sufficient evidence, the customs authorities may request the court to decide their confiscation in cash.



Article 104

In the performance of their duties, customs officers shall:

- Strictly implement instructions, customs regulations and law and other laws;
- Preserve documents and professional and official confidentiality;
- Provide recommendations to persons, business persons and staff of various organizations on the implementation of the Customs Law;
- Outline measures to restrict and repress smuggling activities;
- Wear uniforms, insignias, present assignment cards, and adequate and correct attitude.
- In certain necessary cases, customs officers may perform their duties undercover, but shall present their assignment cards to the searched persons.

Article 105

During the performance of their duties, customs officers abusing their rights and using their rights and duties for illegitimate personal interest or acting in a manner to hinder or restrict the lawful circulation of goods, shall be subject to disciplinary measures or penalties according to the laws and regulations.

Part XII  
Final Provisions

Article 106

This Customs Law replaces the Decree No. 47/CCM, dated 26/6/1989, of the Council of Ministers on the State Tax Regime alone.

Article 107

The Government of the Lao PDR shall issue detailed provisions on the implementation of this Law.

Article 108

This Law is effective ninety days after its promulgation by the President of the Lao People's Democratic Republic

Vientiane, July 18, 1994  
President of the National Assembly  
Saman VIGNAKETH