

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Industry and Commerce

No. 2470/MOIC.DIH

Vientiane Capital, Dated 11 Dec 2015

Decision

On Potassium Fluoride Revolving Fund

- Pursuant to the Prime Minister Decree on Management of a Mixing Salt Iodization to Prevent Iodine Deficiency Disorder No. 42/PM, dated 20 May 1995.
- Pursuant to the Prime Minister Decree on Organisation and Movement of Ministry of Industry and Commerce No. 522/PM, dated 23 Dec 2011.

Minister of Industry and Commerce hereby issues a Decision:

Chapter I

General Provisions

Article 1 Objectives

This decision determines principles, regulations, and measures regarding an establishment, operation and management of Potassium Fluoride Revolving Fund in order to have a fund for purchasing sufficient amount of Potassium Fluoride to meet the demand of salt producers across the country. This aims at providing people with good quality of Iodized-Fluoridated Salt, and contributing to a gradual improvement of Lao people's life living.

Article 2 Potassium Fluoride Revolving Fund

Potassium Fluoride Revolving Fund comprises of Potassium Fluoride and money (hereinafter, "PFRF"), which is an accumulated fund granted by International Organisations, Government budget, and other sources of fund. This revolving fund is managed by the Potassium Fluoride Revolving Fund Management Committee.

Article 3 Definition

Terms used in this decision are defined as follows:

1. **International Organisation** means a foreign aid organization supplying Potassium Fluoride or granting fund for purchasing Potassium Fluoride;
2. **Potassium Fluoride** means a substance being capable of protecting teeth and preventing oral diseases, English abbreviation is KF;
3. **Advanced requisition** means a permission to take credit for 1 time, in which this credit needs to be settled before the next requisition.

Article 4 Scope of application

This decision applies to an establishment and management of Potassium Fluoride Revolving Fund in Lao PDR.

Chapter II Establishment of PFRF

Article 5 Establishment of PFRF

An establishment of PFRF is to ensure a sufficient and sustainable purchase and supply of Potassium Fluoride for producing Iodized-Fluoridated Salt to salt producing factories nationwide.

Article 6 The revolving fund's primary source of fund

PFRF's primary source of fund is from a cooperation between Lao government and Aide Odontogilologique Internationale (AOI) contributing Potassium Fluoride as primary fund of the revolving fund for a first 3-year period of the PFRF's establishment.

Article 7 Sources of Working Capital

PFRF's source of working capital is from supplying Potassium Fluoride to salt producers and collecting money to the revolving fund in order to purchase Potassium Fluoride for the salt producers.

Chapter 3
Management and Use of PFRF

Article 8 Management of PFRF

A management of PFRF is an appointment of PFRF committee to be responsible for purchasing, storing, supplying Potassium Fluoride as well as managing revenue – expenditure of the fund, and etc. Salt producers shall create their annual demand plan and the use of Potassium Fluoride shall comply with the annual plan.

Article 9 Procurement of Potassium Fluoride

In the Potassium Fluoride procurement process, Salt producer group is assigned to prepare a purchase order of Potassium Fluoride based on the demand of salt producing factory in each period, to look for qualified suppliers and information to compare quality, price, and other supplying conditions, and to propose the PFRF management committee to have a consideration.

Article 10 Storage

Salt Producer Group is assigned to properly store and manage Potassium Fluoride and to make requisition in consistent with requirements prescribed in Article 11 of this Decision.

A storage place shall have accurate and appropriate conditions, where Potassium Fluoride is kept away from sunlight, water and anything that could deteriorate its quality.

Article 11 Requisition

A requisition of Potassium Fluoride shall comply with the following procedures and requirements:

1. A salt producer making a requisition of Potassium fluoride shall submit a proposal to the President of Salt Producer Group to summarise and propose PFRF Management Committee to have a consideration.

A proposal shall include supporting documents as follows:

- A requisition shall stipulate an exact amount of requisition;
 - A report of Potassium Fluoride consumption;
 - A monthly summary of Iodized-Fluoridated Salt production;
 - A debt clearance certificate of the Potassium Fluoride's advanced requisition.
2. Once PFRF Management Committee receives the requisition proposal, including the supporting documents prescribed in No. 1 of this Article, from the President of Salt Producer Group, PFRF Management Committee shall consider approving the proposal and assign Salt Producer Group to make a distribution based on the committee's decision.
 3. Salt Producer shall make a payment to PFRF Management Committee at the price determined by the committee. The payment shall be conducted by transferring money to the fund's account opened in a bank or a financial institution in Lao PDR.

Salt Producer Group shall submit a summary report on the requisition amount and an inventory amount of Potassium Fluoride as well as sales revenue to the secretariat of PFRF Committee to report to the Chairman of PFRF committee.

Article 12 Management of PFRF's Money

PFRF Management Committee shall open an account with a bank or a financial institution in Lao PDR in consistent with laws and regulations. The account shall be opened as a joint account that requires a dual signature and available in 2 currencies including LAK and USD. The authorized signatures shall be designated by the committee in a written proxy letter.

Salt Producer Group is assigned to keep the bank account and Cheque book, a withdrawal shall be implemented as prescribed in Article 13 of this Decision. Salt Producer Group is entitled to know a withdrawal and a use of PFRF's money.

Article 13 PFRF transfer and withdrawal

A transfer or withdrawal of money is proposed by Salt Producer Group through the secretariat of PFRF Management Committee. The secretariat shall review an accuracy of documents and propose to PFRF Management Committee to consider and approve the proposal.

A transfer or withdrawal of money shall be officially approved by PFRF Management Committee who is the only group of people having the rights to make a transfer or withdraw of PFRF's money.

Article 14 A payment of Potassium Fluoride

A payment of Potassium Fluoride from abroad shall be transferred via a bank or a financial institution's system in Lao PDR.

**Chapter IV
PFRF Management Committee**

Article 15 PFRF Management Committee

PFRF Management Committee is a Non-Executive Committee appointed by Minister of Industry and Commerce. The Committee is directly responsible for a management of PFRF and has the Secretariat to act as a secretary to the Committee.

Article 16 Organisational Structure and Personnel of PFRF Management Committee

Organisational structure and personnel of PFRF Management Committee consists of:

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| 1. Director of Department of Industry and Handicrafts,
Ministry of Industry and Commerce | Vice Chairman; |
| 2. Deputy Director of Hygiene Promotion Department,
Ministry of Health | Committee; |
| 3. Deputy Director of Department of Industry and Handicrafts,
Ministry of Industry and Commerce | Committee; |
| 4. Deputy Director of Food and Drug Department, Ministry of
Health | Committee. |
| 5. President of Lao Salt Producers Group | |

Chairman;

Article 17 Structure of PFRF Management Committee's Secretariat

Structure of PFRF Management Committee's Secretariat consists of:

1. Head of Division, Department of Industry and Handicrafts, Ministry of Industry and Commerce Deputy Head; Committee;
2. Head / Deputy Head of Division, Hygiene Promotion Department, Ministry of Health Committee.
3. Representative of Lao Salt Producers Group
4. Officer of Food and Drug Quality Control Center, Food and Drug Department, Ministry of Health
5. Officer of Department of Industry and Handicrafts, Ministry of Industry and Commerce.

Head;

Deputy Head;

Article 18 Rights and Duties of PFRF Management Committee

PFRF Management Committee has main rights and duties as follows:

1. To manage and monitor the use of PFRF to ensure an effective and sustainable use of fund;
2. To consider and approve a transfer or withdrawal of PFRF's money and to approve a requisition of Potassium Fluoride to Salt Producing Factories based on the approved plan;
3. To monitor and inspect sales revenue of Potassium Fluoride, requisition and inventory amount, and to inspect the quality of Potassium Fluoride and Iodized-Fluoridated Salt across the country;
4. To coordinate with Provincial Department of Industry and Commerce to inspect, monitor, encourage a production of Iodized-Fluoridated Salt across the country;
5. To direct, inspect, and agree on a management and administration of PFRF;
6. To collaborate with related parties both domestically and internationally in regards to PFRF's tasks;
7. To organise a reflecting meeting on an implementation of PFRF annually or when necessary;

8. To submit a semi-annual and an annual summary report on a movement of PFRF to Minister of Industry and Commerce to acknowledge;
9. To exercise other rights and duties assigned by the superior.

Article 19 Rights and Duties of the Secretariat

The secretariat of PFRF Management Committee has the following rights and duties:

1. Be a secretary to PFRF Management Committee who collects and summarises inbound/outbound documents, organises a meeting, prepares monthly / quarterly / annual report and tasks assigned by the committee;
2. To monitor the storage, requisition and payment of Potassium Fluoride to make a summary report to PFRF Management Committee;
3. To coordinate with Salt Producer Group to monitor information associated with an inspection of Iodized-Fluoridated Salt's quality in Salt Producing Factories and report to PFRF Management Committee;
4. To monitor, inspect, and encourage a mixing Iodized Salt and Potassium Fluoride in Salt factories;
5. To prepare a summary report on financial report, Potassium Fluoride's procurement plan and salt production situation to PFRF Management Committee;
6. To periodically study and determine selling price of Potassium Fluoride to propose PFRF Management Committee to consider and approve;
7. To summarise Potassium Fluoride selling price information in global market to propose the committee to consider purchasing Potassium Fluoride in each period;
8. Other tasks assigned by PFRF Management Committee.

Chapter V

Prohibition, Policies towards Persons with Outstanding Achievement and Measures against Violators

Article 20 Prohibition

Management Committee and Secretariat of PFRF, Salt Producer Group, and Salt Producer are prohibited to conduct the following behaviours:

1. To spend revenue of the Potassium Fluoride Fund on other purposes;
2. To make a payment of Potassium Fluoride by cash instead of using services of a bank or financial institution in Lao PDR;
3. To fail to comply with the procedures and conditions of Potassium Fluoride's requisition as prescribed in Article 11 of this Decision;
4. To distribute a non-standard Iodized-Fluoridated Salt that does not comply with Ministry of Health's regulations;
5. To fail to apply Potassium Fluoride based on the purpose and plan.

Article 21 Policies towards Persons with Outstanding Achievement

Individuals, legal entities or organizations with outstanding achievement in the enforcement of this Decision shall be praised or granted policies according to laws and regulations.

Article 22 Measures against Violators

Individuals, legal entities or organizations violating this Decision shall be educated, warned, disciplined, fined, responsible for civil damages or legal proceedings depending on each case of violation.

**Chapter VI
Final Provisions**

Article 23 Implementation

Department of Industry and Handicrafts and Salt Producer Group coordinate with related parties to strictly and effectively implement this Decision.

Article 24 Effectiveness

This Decision enters into force from the date of signing and after being disclosed in the official Gazette for fifteen days.

Minister of

Ministry of Industry and Commerce

[Seal and Signature]

Khemmany Pholsena