



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Industry and commerce

Ref.no 1953/MOIC
Vientiane, Date 12 DEC 2017

MINISTER'S Agreement
On Border Trade

- Pursue to Prime Minister's Decree on The role and responsibility of Ministry of Industry and Commerce, Ref.no 230/PM, dated 24 August 2017;
- Pursue to request letter of Department of Import-Export, Ref.no 4738/DIE.BT, dated 09 November 2017.

Minister of ministry of Industry and Commerce issue agreement as follow:

Chapter I
General Provision

Article 1. Objective

This agreement has defined the principle, regulation and measurement on border trade, to execute the border trade by corresponding to the law and procedure objectively aims to facilitate on buy-sell, exchange and import - export of goods and services, to promote cross border trade schematically and focus on create of employment, to increase income and improve better living standard of livelihood.

Article 2. Border Trade

Border Trade is interrelationship activities such as buy-sell, exchange and import-export of goods and services across border between Lao PDR and its Neighboring countries who are sharing the borders.

Article 3. Definition of Terminology

The mainly words and terms are stated in this agreement as follows:

1. **Neighboring countries who are sharing the borders with Lao PDR** means kingdom of Thailand, Social Republic of Vietnam, China Republic, Kingdom of Cambodia and Republic of Myanmar.
2. **Border Checkpoint** means International checkpoint, local checkpoint and traditional checkpoint of Lao PDR which are mutually acknowledged and accepted between Lao PDR and its neighbors who are sharing the borders;
3. **Border trade operator** means to individual, legal entity or organization in Lao PDR who relate to buying-selling, exchange and import-export goods and services across the border with corresponding to the regulation and relevant law of Lao PDR.

Article 4 Applicable Scope

This agreement is applicable to individual, legal entity or organization in Lao national and international who is operating business on border trade in Lao PDR.

Chapter II Characteristics of Border Trade

Article 5 Characteristics of border trade

The characters of border trade of Lao PDR include a general border trade, border trade by contract and border trade of civilians.

Article 6 General Border Trade

General border trade is trading between business operator in Lao PDR within countrywide and neighbor business operator from neighboring countries who shares with Lao PDR in order to buy-sell, import-export of goods and services by commitment on condition and procedure of trade between two countries.

Article 7 Border trade by scope of contract

Border trade by contract is a trading between Lao PDR and its neighbor countries that shares border that entered into contract, trade agreement or Memorandum of Understanding (MOU) on relation of buy-sell, exchange and import and export of goods and services base on bilateral commitment is defined by two parties.

Article 8 Border trade of Civilians

Border trade of civilians is a buying-selling or exchange of goods and services of civilians across border with its neighbor countries who shares the borders mostly the products are locally produced along the border areas.

Chapter 3 Border Trade Operation

Article 9 General Border Trade Operation

General Border trade operators relates buying-selling, exchange and import-export of goods and services must comply with the regulation and relevant law associates to trading regulation of Lao PDR and its neighboring countries who shares the border.

Article 10 Operation of Border trade by contract

Operator of border trade by contract relates to buying - selling, exchange and import - export of goods and services comply with its condition and commitment, trade agreement or MOU between Lao PDR and its neighboring countries who shares the border corresponds to the law and regulation of Lao PDR and its neighbors under bilateral dealt.

Article 11 Border trade operation of civilians

Civilian operate Border trade relates to a buying-selling or exchange of goods and services must commit to the regulation and relevant law of Lao PDR and its neighboring countries who shares the border or commit to the condition and commitment, trade agreement or MOU that's bilateral signed by two governments.

Chapter 4 Prohibit

Article 12 General Prohibit

Not allow to individual, legal entity or organization has such a behavior as follows:

1. Use power, position, responsibility to take advantage for personal benefit from border trade;
2. To assistance, protect the violator on law and other regulation;
3. Be intermediary, received bribery and claims the personal benefit from border trade;
4. Other behavior is considerate as violate the law and other regulation of Lao PDR and its neighboring countries who shares the border.

Article 13 prohibit for officer or employee

Not allow to officer or employee has such a behavior as follows:

1. Unprejudiced performance, use power, responsibility position to claims the personal benefit for him/her self or their teams;
2. Change the document's content or use the fake document, disclosure the confidential, prolonging the time and give cooperation to violators by receiving of the bribery or other benefit;
3. Other behavior which is against the law.

Article 14 Prohibit for border trade operator

Not allow to border trade operator has such a behavior as follows:

1. Movement relates to buying-selling, exchange and import –export illegal goods and service which is against the law and regulation of Lao PDR;
2. Provide the information, illegal information, change the document's content or use the fake document about border trade, to be intermediary on abridge the law and offer bribery to officer;
3. Avoid the obligation, conceal or hidden the quantity of goods and service at the time of import-export;
4. Other behavior is considerate as violate the law and other regulation of Lao PDR and its neighboring countries who shares the border.

Chapter 5 Border trade of Regulated Authority

Article 15 Border trade of regulated Authority

Ministry of industry and commerce is taking lead on regulate the border trade within whole country by collaborate with relevant sectors and local authority according to their role and responsibility.

Border trade of regulated authority is decentralized into 3 levels as follow:

1. Central level is conducted by department of import-export;
2. Provincial level is conducted by provincial department of industry and commerce of capital city, provinces;
3. District level is conducted by district's office of industry and commerce.

Article 16 The Right and Responsibility of Department of import-export

Department of import-export has right and responsibility as follow:

1. To be liaison to minister on management, relation, cooperation and development of border trade;
2. To research and to issue the policy and strategic plan on border trade to submit to high level for approvals and take a lead on its implementation;
3. To study on creating and improve the legislation that is associated with border trade to request for high level for approve;
4. Conduct the training and disseminate the legislation and the information on border trade;
5. To monitoring, inspect, evaluate and enabling the implementation on border trade ensuring the corresponding to policy, strategic plan and legislation in each period of time;
6. Collect, consolidate and analysis of statistic data on border trade within countrywide to report to senior office as well as minister of ministry of industry and commerce;
7. To be focal point on border trade both national and international
8. To be representative on behalf of technician to participate technical stage among line ministries on border trade mechanism;
9. To elaborate with line sectors both national and international to gasp the opportunity to cooperate, enabling the technical assistance and support on border trade.
10. To encourage and advise on technique about the border trade to provincial department of industry and commerce, in capital, provincial and district level.

Article 17 The Right and Responsibility of Capital/Provincial Department of industry and commerce

Capital/Provincial Department of industry and commerce has the right and responsibility as follow:

1. Disseminate the legislation and the information on border trade to relevant sectors and social to acknowledge and implementation correctly;
2. To monitoring, inspect, evaluate and enabling the implementation on border trade ensuring the corresponding to policy, strategic plan and legislation in each period of time;
3. Collect, consolidate and analysis of statistic data on border trade to report to department of import – export, capital and provincial governance authority to acknowledge the statistical data regularly;
4. To be focal point on border trade in capital/provincial level
5. To participate accord to trigger of technical coordination on border trade
6. To cooperate, sharing the information and elaborate with other sectors within province and other provinces who shares the border with neighbor countries on enabling the technical assistance and support on border trade.
7. To encourage and advise on technique on the border trade to district's office of industry and commerce.

Article 18 The Right and Responsibility of district's office of industry and commerce

District's office of industry and commerce has the right and responsibility as follow:

1. Disseminate the legislation and the information on border trade to relevant sectors and social to acknowledge and implementation correctly;
2. To take a lead on implementation of border trade to correspond to policy, strategic plan and legislation in each period of time;

3. To elaborate with district authority, Villages group, village, to collect the statistical data on border trade to report to capital/provincial department of industry and commerce and district governance authority to acknowledge the statistical data regularly;
4. to collect the statistical data on border trade to report to capital/provincial department of industry and commerce and district governance authority to acknowledge the statistical data regularly;
5. To cooperate, sharing the information and elaborate with other sectors within district and other district who shares the border with neighbor countries on enabling the technical assistance and support on border trade.

Chapter 6

The recognition to outstanding performer and measurement to the violators

Article 19 The Recognition to the outstanding performer

Individual, legal entity or organization who have excellent performance on implementation of this agreement they shall be recognized or compensated appropriately.

Article 20 The measurement to the violator

Individual, legal entity or organization who has violate any prohibit in this agreement they will be penalized such as give a warning, take a lesson, to fine, pay for the damage or process as prospective law accords to the weight of each case.

Chapter 7

Final provision

Article 21 Implementation

Assign to department of import-export, capital/provincial department of industry and commerce and district office of industry and commerce to collaborate with relevant sectors to implement this agreement effectively.

Article 22 Effectiveness

This agreement will be effective since the signatory date and subsequently published as official gazette in fifteen days.

Minister
Ms. Khemmani Pholsena