



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Labour and Social Welfare

No: 5418/MLSW
Vientiane Capital, 10 December 2007

Decision
on the permission for the importation of
foreign labourers to work in Lao PDR

- Pursuant to the Labour Law no 06/NA, dated 27 December 2006.
- Pursuant to the Prime Minister's Decree no 138/PM, dated 04 May 2007 on the organization and activities of the Ministry of Labour and Social Welfare.
- In order to ensure that the importation and management of foreign labourers are in accordance with the laws and regulations of Lao PDR.

Minister of Labour and Social Welfare issues a Decision:

Section I
General provisions

Article 1: This Decision provides the rule for the importation and management of foreign labourers who are working in Lao PDR in order to meet the needs of skilled labour required by investors to support their business operations and ensure that Lao labour has the opportunity to learn technical knowledge from foreign labourers who are working in the labour units and projects.

Article 2: Employers of foreign labourers are individuals or legal entities, including Lao and foreigners, who are production units, businesses and service providers of all socio-economic sectors that invest and operate businesses in accordance with the laws and regulations of Lao PDR.

Article 3: Foreign labourers are foreigners who are permitted to work in labour units and projects in Lao PDR in accordance with the Labour Law and relevant regulations set out by the government, whose remunerations are in salaries or wages. Those who enter into Lao PDR for tourism, visiting, trading not in accordance the laws and regulations or for other purposes, shall not be considered as foreign labourers.

Section II

Conditions and rules for acquiring permission to import foreign labourers to work in Lao PDR

Article 4: The conditions for acquiring permission to import and employ foreign labourers are as follows:

- Shall be an individual or legal entity, including Lao and foreigner who are production units, businesses, service providers and grant project that would have the right to acquire permission to import and employ foreign labourers. A [authorized] person assigned to apply for the permission to import and employ foreign labourers shall be the employee of the aforementioned labour [production] units or projects;
- Shall be labour units or projects that are approved to operate a business in accordance with the laws. They shall have an annual plan for employing foreign labourers and obtain quota allocation from the Ministry of Labour and Social Welfare.

Article 5: Conditions for foreign labourers working in Lao PDR are as follows:

- Shall be skilled labour, [and] educational level correspondance to the required position;
- Shall have clean biography, [and] do not escape from penury of law to work in Lao PDR;
- Shall be 20 year of age or more;
- Shall transfer technical knowledge to Lao labour;
- Shall adhere to the laws and regulations and follow traditions of Lao PDR;
- Shall be in good health without any infectious diseases.

Article 6: The application for quota to import foreign labourers of labour unit shall be as follows:

- Application form for quota of labour unit;
 - Plan for employing foreign labourers proposed to the Department of Skill Development and Employment. If the employment is in provinces, there shall be endorsed by the relevant provincial labour and social welfare departments;
 - Business registration or project contract certified by the relevant project's owner (if any);
 - Copy of investment license;
 - Copy of a license for establishing factory or company;
 - Copy of domestic tax registration.
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Article 7: Labour units and projects that want to import and employ foreign labourers in the position that Lao labourers are not qualified for shall comply with quota permission issued by the Ministry of Labour and Social Welfare, in the proportion not exceeding 10% and 20% of the total labour within the labour unit for blue collar and white collar labourers, respectively.

The employment of foreign labourers shall be with a plan to transfer technical knowledge to Lao labourers from the beginning to the end of the contract in order to ensure that the latter can replace the former.

Article 8: Procedures for applying for permission to import and register foreign labourers are as follows:

- Apply for permission to import foreign labourers from the Ministry of Labour and Social Welfare;
- Shall verify the names with the Department of Immigration Police, the Ministry of Public Security in accordance with the rules;
- Shall have Labour Visa (L A B2) from the Ministry of Foreign Affairs at the Lao embassy or Lao consular overseas, except the case that need to have a visa on arrival. After foreign labourers enter into Lao PDR, they shall apply for multiple entry visa from the Department of Consular, Ministry of Foreign Affairs;
- Register and receive work permit from the Ministry of Labour and Social Welfare or provincial or Vientiane Capital labour and social welfare departments;
- Register and issue [receive] a card for temporary stay in Laos from the Department of Immigration Police, Ministry of Public Security;
- Propose a plan on a need for foreign labourers by investment project to the Ministry of Planning and Investment.

Article 9: Application for the importation of foreign labourers shall supply the following documents:

- Permission for quota issued by the Department of Skill Development and Employment;
 - Application for the importation of foreign labourers;
 - The list of names of foreign labourers;
 - The guarantee letter from employers;
 - Employment contract;
 - Biography of foreign labourers;
 - Health certificate of foreign labourers;
 - Copy of passport;
 - 4 Photos sized 3x4.
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Section III

Rights to permit the importation and Employment of foreign labourers

Article 10: The Department of Skill Development and Employment has the following rights and duties:

- Considered the approval of annual quotas for all labour units and projects nationwide and the time for consideration shall not exceed three weeks;
- Considered the importation no longer than one week and registered the licensing of work permit for foreign labourers who are working in the labour units and projects that have business registration at the central no longer than two weeks and the renewal of the work permit shall not exceed four working days.
- Printed the work permit for foreign labourers in Lao PDR for the provincial and Vientiane Capital labour and social welfare departments.
- Carried out other obligations in accordance with the roles and responsibilities as assigned by the superior.

Article 11: The Department of Labour Management has the following rights and duties:

- Inspecting the employment of foreign labourers in labour units and projects in accordance with the list of names, position, location, period that is allowed for importation and employment;
- Managing the employment of foreign labourers to adhere to the employment contract, rules, the Labour Law and related laws of Lao PDR;
- Carrying out other obligations in accordance with the roles and responsibilities in their respective areas.

Article 12: Provincial and Vientiane Capital Labour and Social Welfare Departments have the following rights and duties:

- Coordinating with relevant [provincial] departments, labour units and projects that are under their local responsibilities, to plan for a need for the importation and employment of foreign labourers to propose to the Department of Skill Development and Employment, the Ministry of Labour and Social Welfare who will consider and approve the annual quota. In case there is no plan as stated above, the Department of Skill Development and Employment shall not consider the request at all.
 - Issuing the permission for the importation and employment of foreign labourers to labour units and projects that have the business registration issued by provinces or Vientiane Capital and in accordance with the quotas that approved by the Department of Skill Development and Employment, the Ministry of Labour and Social Welfare.
 - Disseminating this Decision and inspect the implementation, divide responsibilities for districts as deemed appropriate in the monitoring, managing, collecting data, providing data and reporting to the Department
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Skill Development and Employment, and the Department of Labour Management, the Ministry of Labour and Social Welfare, on a regular basis.

Article 13: Labour units and projects have the rights and duties to employ and manage foreign labourers under their responsibilities as follows:

- Prepare plan on needs, provide documents for quota approval, permission to import and employ foreign labourers on annual basis that is under their responsibilities;
- Disseminate, advise on the implementation of rules, laws and traditions of Lao PDR;
- Provide the information on foreign labourer that is being employed and return to their home countries to the labour management organization or relevant state agencies in each period;
- Arrange occasion that foreign labourers can transfer technical knowledge to Lao labour;
- Use foreign labourers in accordance with the location as per licensed; in case there is a change in location of work or a transfer of foreign labourers to other employers, the approval shall be obtained from the labour management organization;
- Be responsible for sending [foreign labourers] back home after the end of the permission from the labour management organization or relevant state agencies.

Section IV

Registration and issuance of Work permit for foreign labourers

Article 14: Labour units and projects that apply for the registration and work permit for foreign labourers shall:

- Notify the list of names, position, nationality, the period of employment in order to register with the Department of Skill Development and Employment, the Ministry of Labour and Social Welfare, for the labour units and projects that are under the provincial or Vientiane Capital authority to register with the provincial or Vientiane Capital labour and social welfare departments within 30 days from the date of entering into Lao PDR;
- Supply documents for the application for work permit for foreign labourers in accordance with the application provided by the Department of Skill Development and Employment;
- Any labour units and projects that fail to adhere to the conditions above shall not strictly be allowed to employ foreign labourers.

Article 15: Labour units and projects that apply for registration and work permit for foreign labourers shall supply the following documents:

- Application form for registration and work permit;
 - Permission to import foreign labourers issued by the Department of Skill Development and Employment (attached document);
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- Certification for clearance of biography from the Ministry of Public Security;
- Copy of passport and labour visa (Visa L A - B2).

Article 16: Labour units and projects that renew work permit for foreign labourers shall supply the following documents:

- Application form for renewing the work permit;
- Work permit of foreign labourers;
- Copy of passport;
- Copy of income tax receipt;
- Certification of behavior of foreign labourers by employers;
- Employment contract (renewal).

Article 17: The collection of fees shall be as follows:

- Application form for quota approval, importation, registration and work permit [of foreign labourers] 10,000 kip per each set;
- Registration and issuance of work permit US\$10 per person per month;
- Renewal of work permit US\$2 per person per month;
(Pursuant to the Presidential Decree no 02/PP dated 27 December 2002);
- For Vietnamese labourers who are working for Vietnamese investment in Lao PDR or cooperation projects between the Lao-Viet Governments, the fees are US\$48 per person per year (calculating from the registration of US\$30 per three months and renewal of US\$18 for nine months);
- For Vietnamese and Cambodian labourers in Development Triangle Cambodia-Lao PDR-Vietnam, the fees are US\$40 per person per year (Reference to Notification no. 564/GS dated 10 April 2007 of the Government Secretariat, Prime Minister's Office).

Section V

Management of foreign labourers

Article 18: The Management of foreign labourers shall be as follows:

- Foreign labourers who work in Lao PDR are allowed for in the employment contract each time not exceeding 12 months and the employment period can be extended every 6 to 12 months;
- In case the labourers still need time to operate business, expand production, use new technique-technology, there shall be the consideration for the extension of employment period according to the need of work in accordance with the employment contract;
- The permission of foreign labourers to work in Lao PDR is valid for 2 years and extended for 2 and not exceeding 4 years maximum. If 4 years is lapsed, [the labourers] shall return home without any consideration for renewal of the work permit within 2 years break.

Article 19: The change in position, change in work location, and transfer of foreign labourers to other employers for management and employment shall be as follows:

- Foreign labourers that are under labour units and projects at the central level shall be permitted by the Department of Skill Development and Employment;
- Foreign labourers that are under the provinces [and] Vientiane Capital shall be permitted by the provincial [and] Vientiane Capital labour and social welfare departments.

Article 20: Foreign labourers entered into Lao PDR for working shall act as follows:

- Adhere to laws and regulations, and follow traditions of Lao PDR;
- Transfer technical knowledge to Lao labour;
- Return back to home country upon completion of work period within 15 days;
- If failed to return home within the above period, [foreign labourers] shall be held accountable in accordance with laws and regulations of Lao PDR.

Section VI

Policy toward well performers and measures against violators

Article 21: Policies toward well performers

Labour units, projects, individuals or legal entities who adhere to this Decision shall be praised or receive other policies [incentives] in accordance with the regulations;

Those who violate this Decision shall be subject to education, warning, suspension of employment and fines in accordance with the laws and regulations.

Article 22: Labour units, projects, individuals or legal entities shall not commit the following prohibitions:

- Prohibited from importing and registering the work permit for foreign labourers without permission from the Department of Skill Development and Employment or the provincial and Vientiane Capital labour and social welfare departments;
- Prohibited from issuing work permit for foreigners that are entering for tourism, visiting or for personal reason and to work in contraction with the laws and regulations;
- Foreign labourers are not strictly allowed to enter [into Lao PDR] to work in the professions that are reserved for Lao citizen.

Article 23: Measures against labour units, projects, individuals and legal entities who violate [this Decision] are as follows:

- The employers of foreign labourers that are not permitted by the Department of Skill Development and Employment or the authorized provincial and Vientiane Capital labour and social welfare departments, shall be fined in kip equivalent to US\$250 per person per time;
 - Employers who employ foreign labourers which is not in accordance with work location as specified in the work permit shall be fined in kip equivalent to US\$200 per person per time;
 - If there is a second violation, the right to employment of foreign labourers shall be suspended and there shall be penalized in accordance with Article 75 of the Labour Law and to be held accountable for the expenses for sending foreign labourers back to home country;
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- Employers that employ foreign labourers exceeding the permitted period shall be fined for US\$5 per person per day of the extra days;
- Foreign labourers who work in any places without having work permit from the Department of Skill Development and Employment or provincial and Vientiane capital labour and social welfare departments shall be penalized in equivalent to US\$100 per person per time;
- Individual or legal entity that provides employment service for foreign labourers without legal permit will be penalized in equivalent to US\$300;
- Foreign labourers whose action is against the laws and regulations, Lao customs will be imposed either strict or soft measures according to the judgment of public court of Lao PDR.

Section VII Implementation

Article 24: This Decision is not applicable to expatriates, foreign officials who work in Lao PDR under grant projects in the service areas as government officers and to foreign labourers who work on transferring technical knowledge in compliance with labour units and any international organizations.

Article 25: Foreign employers and employees who work in Lao PDR shall acknowledge and implement this Decision strictly.

Article 26: The Department of Skill Development and Employment and provincial and Vientiane capital labour and social welfare departments shall implement, disseminate campaign and introduce this Decision widely.

Article 27: This Decision replaces the Decision no. 749/MLSW and comes into force 60 days after the date of its signature until further notice of amendments and any decisions that contravene the provisions of this Decision shall be nullified.

Minister of Labour and Social Welfare

[Signed]

Onechanh Thammavong

Note on translation:

- The name of the “Department of Skill Development and Employment” is translated according to the Lao text. The current name should read the “Department of Skill Development and Promotion”.
