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LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No 474/PM

Vientiane Capital, dated 18.11.2010

**DECREE
O N
MANAGEMENT OF GOODS PRICE AND SERVICE FEES**

- Pursuant to the Law on Government N.02/NA, dated 06 May 2003;
- Pursuant to the Law on Protection of Customers N.02/NA, dated 30 June 2010;
- Referencing to the proposal letter of the Minister of Industry and Commerce N.1220/MOIC, dated 01 June 2010.

The Prime Minister issues a Decree:

**Chapter I
General Provisions**

Article 1. Objective

This Decree determines principles, rules and measures regarding the manage the price aiming to keep the stability of the price and also protect the rights and equitable interests of business person and customers and benefits of the State

Article 2. Management of the Price

The management of the price is the management of the goods price and service charge from the price management organization based on principles and provisions as prescribed under this decree.

Article 3. Interpretation of Terms

The terms used in this decree have the following meanings:

- "Price" is referred to the compensation in money, materials or other benefits for the distribution of goods or the provision of services. The price is composed of: price manage by the Sate and the fixed by business persons;
- "Highest Price" is referred to the highest price of goods or the provision of services that the business operators may distribute or provide services.
- "Lowest Price" is referred to the lowest price of goods or provision of services that the business operates may collect to buy or provide services;
- "Limit of price" is referred to the price of goods or the provision of services that the business operates may distribute or provide services from the low level to high level.
- "Business operators" is referred to individuals or organizations both domestic and abroad which produce, distribute, buy for distribution or import for distribution or provide service within the territory of the Lao PDR.
- "Production" is referred to the manufacture, mixture, processing, assemblage,

- invention, transformations of nature, change of form, adjustment, selection, sorting in group, containing or making something to become goods either any method including doing something to become a commercial name or trademark for such goods either making by oneself or by other people;
- “Distribution” is referred to the selling, exchange, giving, distribution or the transfer of rights of possession of goods to another person;
 - “Goods” is referred to materials, commodities which are used for consumption or use including instrument indicating the rights over such materials;
 - “Service” is referred to service, interest in the asset with a return value in money or other interest;
 - “user” is referred to individual, legal entity or organization which buy and use goods and the provision of service properly to laws with any commercial objective in the territory of the Lao PDR;
 - “Price Management Organization” is referred to the State’s organization which has the power to in the implementation of the price management activities;
 - “Items in the Price Management” is referred to items of goods and provision of services of which the price management organization has determined from time to time in order to use measures of the control of the price;
 - “Item to monitor the fluctuation of the price” is referred to the item of goods and services of which the price control organization has determined in each period in order to monitor the fluctuation of the price;
 - “reserved fund” is referred to fund or warehouse that is built to keep reserved goods which are listed in the control price;
 - “Fulfillment of Deficit” is referred to assistance from the State directly or indirectly that effect to the level of price for targeting to control the price;
 - “Necessity” is referred the necessity to make the price be stable in order to protect the rights and equitable interest of the business operator, the users and the benefit of the State;
 - “No discrimination of Implementation” is referred the harmonious principles undertaken regarding the measures to control the price of goods and services to have a transparency and be disseminate to the public.

Article 4. Principles on the Control of Price

The control of price shall be performed according to the below principles:

1. The price in the Lao PDR is determined in relation to the market mechanism that have a control adjusted by the State;
2. The State strictly respect the rights in the determination of the price and the competition in the field of price of business operators in accordance with laws and regulations;
3. The State applies the measures in the control of price according to the necessity based on the principles without discrimination performance and with transparency.

Article 5. Scope Applicability

This decree is effective for business operators and the price management organization.

Chapter 2

Management of the Price

Article 6. Measures to Manage the Price

In case of necessity, the price management organization may use measures to manage the price by two forms such as: measures to manage the price and measures to monitor the fluctuation of the price.

Measures to manage the price include:

1. Regulate the structure of the price;
2. Determine the highest price, lowest price or scope of price;
3. Control of goods in the reserved fund;
4. Fill the deficit of goods and services;
5. Adjustment of the supply and demand.

Assign to the Ministry of Industry and Commerce, to coordinate with relevant sectors to determine in detail regarding (a) items to be controlled the price and items shall be monitored the fluctuation of the price, (b) Price Management Organization for each items, (c) measures to manage the price which will be used and (d) duration of the use of such measures.

Article 7. Determination of the Price Structure

The business operator shall send the price structure for items which shall be controlled of the price to the price management organization to consider for approval prior to use such price structure in the distribution or provision of services, the price structure is comprised of (a) production costs or costs of purchase for distribution, (b) circulation costs, (c) distribution price and (d) profits.

The price management organization shall use data of the Price structure which have obtained from the business which have obtained from the business operators only the target of the price determination of the price structure.

Article 8. Determination of the Highest Price, Lowest Price or Limit of the Price

The price management organization may determine the highest price, lowest or limit of the price for items which are controlled of the price.

The determination of the highest price and the lowest price or limit of the price is based on as below:

1. Price structure;
2. Demand and supply of goods and services;
3. Purchasing power within the country;
4. Price in domestic and foreign market;
5. Policy on the socio-economic development in each period.

Article 9. Control of goods in the reserved fund

The price management organization may fix to the business operators for items which are controlees' additional price or reduction of volume of goods in the reserved fund in order to protect the hoarding of goods or the price fluctuation.

The business operator shall report the status, volume and the increasing or decreasing of volume of its reserved fund to inform to the price management

organization.

Article 10. Fill up of Deficit

The price management organization may use the measures to fill up the deficit for price controlled items of which the details will be defined in a separate regulation.

Article 11. Adjustment of Supply and demand

The price management organization may use measures on the adjustment of the supply and demand for items which are controlled of the price of which the details will be defined in a separate regulation.

Article 12. Monitoring of the Fluctuation of the Price

The price management organization can monitor the fluctuation of the price including the monitoring of price tail board of the business operator.

Chapter 3
Implementation of the Management of the Price

Article 13 . Price Management Organization

The price management organization is comprised of:

- Ministry of Industry and Commerce;
- Provincial, city's Industry and Commerce Division;
- District, municipality's Industry and Commerce Office;
- Other relevant sectors.

The Ministry of Industry and Commerce shall set up a secretariat to be the logistic arm in the direction, lead to implement the management of the Price by assigning to the Director General of domestic trade department of the ministry of Industry and Commerce to be the Head of such secretarial.

Article 14. Rights and Duties of the Ministry of Industry and Commerce

In the implementation of manage of price, the ministry of Industry and commerce has the following rights and duties:

1. Study policies and measures in the management of price;
2. Study, analyze regarding the price and the conduct of business including the proposal of projects, programs and measures to manage the price;
3. Determine regulation to be tools in the implementation of the management of the price;
4. Direct, guide the provincial, city's Industry and Commerce Division District and Municipality's Industry and Commerce Offices and be the focal point of coordination with other relevant sectors in the implementation of the management of the price;
5. Implement the management of the price in accordance with this decree and other relevant regulations;
6. Widely disseminate, instruct the implementation of this decree and other relevant regulation;
7. Monitor the fluctuation of the price and relevant behavior related to the management of the price of the business operator;

8. Accept to consider and solve the proposals of those who have trouble and damages due to the acts that affect to the rice;
9. Strictly fine the violator as provided in Article 26 of this decree according to items of the controlled price of which one's in the price management organization;
10. Monitor, supervise, summarize, report and propose regarding the implementation according to the contents in the clause 2, 3 and 7 of this Article to the government;
11. Issue notification, regulation, decision and others from the assignment of the government;
12. Exercise such other rights and perform such other duties as provided in the laws and regulations.

Article 15. Rights and Duties of Provincial, City's Industry and Commerce Division

In the implementation of the management of the price, the provincial, city's industry and commerce division has the rights and duties in its province and city's territory as follows:

1. Study, analyze regarding the price and the conduct of business including to propose projects, programs and measures to manage the price;
2. Direct, guide the district, municipality's industry and commerce office and coordinate with divisions and other relevant sectors in the implementation of the management of the price;
3. Implement the management of the price in accordance with this decree and other relevant regulations from the assignment of the Ministry of Industry and commerce;
4. Widely Disseminate, instruct the implementation of this decree and other relevant regulations;
5. Monitor the fluctuation of the price and behavior related to the management of the price of the business operator;
6. Accept to consider and solve the proposals of those who have trouble or damage due to acts that affect to the price;
7. Strictly fine the violator as provided in Article 26 of this decree according to items of controlled price of which one's in the price management organization;
8. Summarize, report and propose regarding the implementation to the contents in the clause 1, 2, 5 and 6 of this Article to the ministry of Industry and Commerce and provincial, City's administration;
9. Exercise such other rights and perform such other duties as provided in the laws and regulations.

Article 16. Rights and Duties of the District, Municipality's Industry and Commerce Office

In the implementation of the management of the price the District, Municipality's Industry and Commerce Office has the rights and duties in their District and Municipality territory as follows:

1. Study, analyze regarding the price and the conduct of business including the proposal of projects, programs and measures to manage the price;
2. Direct, guide the goods management working unit and liaise with the provincial, city's industry and Commerce division and other relevant sectors in the implementation of the management of the price;
3. Implement the management of the price according to this decree and other relevant

- regulations from the assignment of the provincial city's industry and commerce division;
4. Widely disseminate, instruct the implementation of this decree and other relevant regulation;
 5. Monitor the fluctuation of the price and behavior which is related to the management of the price of the business operator;
 6. Accept to consider and solve the proposals of those who have trouble or damage due to acts that affect the price;
 7. Strictly fine the violator as provided in Article 26 of this decree.
 8. Summarize, report and propose regarding the implementation of the contents of the clause 1, 2, 5 and 6 of this Article to the provincial, city's industry and commerce division and provincial, city, district, municipality administrative authorities;
 9. Exercise such other rights and perform such other duties as provided by the laws and regulations.

Article 17. Rights and Duties of other relevant sectors which are the Management of the price Organizations

In the implementation of the management of the price, other relevant sectors have the rights and duties as follows: in the item of the control of the price of which one's has determined to be the management of the price organization according to this decree:

1. Study, analyze, regarding the price any the conduct of business including the proposal of projects, programs and measures to manage the price;
2. Give cooperation to the Industry and Commerce section in the implementation of the rights and duties of such sector in accordance with this decree;
3. Determine regulations in order to be tools in the implementation of the management of the price;
4. Implement the management of the price according to this decree and other relevant regulations;
5. Disseminate, instruct the implementation of this decree and other relevant regulations.
6. Monitor the fluctuation of the price and behavior related to the manage of the price of business operators;
7. Accept to consider and solve the proposals of those who have trouble on damages due to ach that affect to the price;
8. Fine the violator as provided in Article 26 of these decree according to the items of which one is the management of control of the price;
9. Monitor, control, summarize, report and propose regarding the implementation of the contents of clause 1, 3, 6 and 7 of this Article to the government;
10. Issue notification, rules, decision and others according to the assignment by the government;
11. Exercise rights and other duties as provided in the laws and regulations.

Chapter 4
Rights and Obligations of the Business Operator

Article 18. Rights of the Business operator

The business operator has the following rights:

1. Fix the price based on the market mechanism except goods and services that are in the list of controlled price;
2. Propose or lodge petition against officials or officers regarding their performance of works when it has seen improper acts as provided in the laws and regulations;
3. Use of other rights as provided in the laws and regulations.

Article 19. Obligations of the Business Operator

The business operator has the following obligations:

1. Send financial report of each term, six months and annual for the list of controlled price to the relevant price control organization;
2. Implement according to the standard of the price control as provided in this decree and the price control organization has used from time to time;
3. Indicate and fix the price board, whether such goods or services are on the list of the controlled price or not the board of goods price and services shall fix on the shop, goods trading places or the place where one's giving services the fixation of the price shall be clear, do not create disturbance to users;
4. Shall give cooperation to the performance of duties of officials or officers;
5. Exercise other obligations as provided in the laws and regulations.

**Chapter 5
Prohibitions**

Article 20. Prohibition to Officials and Officers

In the performance of duties it is prohibited to officials or officers to act as follows:

1. Opportunistic user of power, title, position to claim for their benefit;
2. Abuse of power which is an oppression and a threat such as: use of violence, weapons, torture, rude words;
3. Post abandon and escape from activities operation;
4. Neglect, be careless, irresponsible, distort of the truth;
5. Conceal, protect, hide and give cooperation to offender in order to receive bribes or other interests;
6. Disclose the confidentiality obtained from business operators without authorization from the concerned business operator;
7. Have other acts which violate the laws and regulations.
- 8.

Article 21. Prohibitions to Business Operators

It is prohibited to business operator to act as follows:

1. Intentionally act that cause to make the price become low or high or trouble the society;
2. Hoard goods that are on the controlled price list, by having possession of which the price control organization has fixed;
3. Store goods in the reserve warehouse other than the reserve warehouse that was reported to the price control organization;
4. Bring existed goods that are on the price controlled list to distribute without receiving the authorization from the price control organization;
5. Stop, reject or delay the distribution or the provision of services without any reasons

when receiving the order from the price controlled organization.

Chapter 6

Privileges towards Productive Persons and Measures against violators

Article 22. Privileges towards Productive Persons

A business operator, who has on outstanding deed in the implementation of this decree by conducting legal business, gives cooperation and properly, clearly, timely supply data regarding the price well receive commendations or other privileges as deemed expedient in each event.

Article 23. Measures against Violators

A business operator who violate this decree shall be educated, imposed discipline, be fined, and compensates for the civil loss or criminally be punished according to the severity of the case.

Article 24. Educational Measures

A business operator who violates this decree which is not a criminal offense will be admonished and educated.

Article 25. Discipline Measure

Officials or officers which had violate this decree and will be imposed disciplines that control them

Article 26. Fine Measures

A business operator who violates this decree which is not a criminal offense and later has received the admonishment and educated already two times will be fined depending on the severity of the case as follows:

1. Not fixing price board, will be fined 500.000 kip to 1.000.000kip/each time/each item;
2. Declare false data on the structure of the of the price or reserve fund will be fined from 1.000.000 kips to 3.000.000 kip/each items;
3. Not indicate the structure of the price will be fined from 1.000.000 kip to 3.000.000 kip/each time/each item;
4. Bring out goods from the reserve fund to distribute without obtaining the authorization from the price control organization will be find from 1.000.000 kip to 3.000.00 kips/each time/each item;
5. Stop, reject or delay the distribution or provision of services without reason when there is an order the price control organization will be fined from 1.000.00 kip to 3.000.000 kip/each time/each item;
6. Use the structure of the price without obtaining the authorization from the price control organization will be fined from 1.000.00 kip to 5.000.000 kip/each time, each item.

Article 27. Civil and Criminal Measures

The civil and criminal measures shall bases on the relevant laws and regulations.

Article 28. Additional Penalty Measures

A business operator who violates this decree may be imposed to an additional penalty measures such as: suspend or withdraw the enterprise registration certificate, other permits, be seized of material, in accordance with the laws and regulations.

Chapter 7
Final Provision

Article 29. Implementation

Assign to the Price Control Organization to implement this decree with efficiency. Ministries, other ministry equivalent organizations strictly give cooperation in the implementation of this decree according to their roles.

Article 30. Effectiveness

This decree supersedes the decree on control of goods price N.207/PM, dated 11/10/2001 and shall enter into force after 90 days from date of this decree.

Any regulations, provisions which contradict to this decree are hereby repealed.

The Prime Minister of the Lao PDR
(Seal and signature)
Bouasone BOUPHAVANH
(signed and sealed)