

Unofficial translation



Lao People's Democratic Republic Peace Independence Democracy Unity Prosperity

Prime Minister Office
National Tourism Authority

No. 060/NTO
Vientiane Capital, date 26/02/2007

Decision

On the Hotel-Guesthouse Standard Rating in Lao PDR

- Pursuant to the Tourism Law No. 10/NA, dated 09/11/2005;
- Pursuant to the Decree on Organization and Operation of National Tourism Authority No. 91/PM, dated 30/06/2004
- Pursuant to the Regulation on the Hotels and Guesthouses Administration No. 159/PMO, dated 30/07/1997.
- In order to enhance services provided in hotel-guesthouse businesses to meet high standards and qualities, and meet the increasing demand of rapidly growing tourism sector.

**The Minister, President, National Tourism Authority
hereby issued a Decision:**

Part I General Provision

Article 1: Objectives

The objectives of Hotel-Guesthouse standard rating in Lao PDR are as following:

- To upgrade the products and services in accommodations to meet the international standards.
- To protect rights and benefits of accommodation operators and customers, to ensure fairness, appropriateness and attractive oriented services in accommodation facilities such as: ensuring the safety of customers' lives and assets.
- To meet the demand of tourism markets that increasing diversified.

- To rate accommodations according to product and service standards, aiming at encouraging and promoting higher qualities of accommodations, as well as creating conditions that facilitate the investment in accommodation sectors to strengthen their competitiveness.

Article 2: Expectation

- Upgrade the standard of accommodation businesses to meet international standards, be consistent with the Tourism Law and investment promotion policies as well as National Social-Economic Development Plan of Lao PDR.

Article 3: Definitions

- Accommodation Businesses refer to temporary accommodation services provided to tourists in hotels, guesthouses, resorts, motels, cruise ships, camps, renting rooms and other places that provide accommodation for tourists in general;
- Hotels refers to accommodations that consist of 15 rooms and above, with facilities, quality equipment and good standard services, with objective in providing charged temporary accommodation for travelers.
- Guesthouses refers to accommodations that consist of 14 rooms and below, but not less than 5 rooms, provide facilities, appropriate equipment and standard services, with objective in providing charged temporary accommodation for travelers.
- Resorts refers to accommodations located in the tourist destinations, that provide facilities, quality equipment and good standard services.
- (Star) refers the hotel rating symbol that the authority identifies to indicate the quality and standard of services in hotels.
- 5 Stars (★★★★★) refers to hotel-rating symbol that indicates the highest service quality and standard.
- 1 Star (★) refers to hotel-rating symbol that indicates the lowest service quality and standard.
- (Dok Champa) refers to guesthouse rating symbol that the authority identifies to indicate the service quality and standard in guesthouses.
- 3 Dok Champa (⊗⊗⊗) refers to guesthouse-rating symbol that indicates the highest service quality and standard.
- 1 Dok Champa (⊗) refers to guesthouse-rating symbol that indicates the lowest service quality and standard.

Part II Hotel-Guesthouse Rating

Article 4: Hotel-Guesthouse Standard Rating

- Hotels that wish to receive a rating are required to follow the required standards in order to be considered for rating. The detailed hotel standard is listed in Annex 1.

- Guesthouses that wish to receive a rating are required to follow the required standards in order to be considered for rating. The detailed guesthouse standard is listed in Annex 2.

Article 5: Hotel-Guesthouse Rating Symbol

- Hotels, which legally registered their businesses, will be rated by “Star” symbol according to Article 3 of this Decision.
- Guesthouses, which legally registered their businesses, will be rated by “Dok Champa” symbol according to Article 3 of this Decision.
- Rating symbol for hotels-guesthouses shall be consistent with standards that indicated in each level of standard.
- Inspection for modification of hotel-guesthouse rating will be conducted every 3 years and no later than 5 years or according to the requests of business operators that wish and are qualified for upgrading their standard rating.

Article 6: Application for Hotel-Guesthouse Rating

Hotels-Guesthouses that wish to receive a rating must prepare all required supporting documents according to the application form as following to be eligible for rating consideration:

1. Application form for Hotel-Guesthouse business rating;
2. Copy of Tax Certification;
3. Copy of Enterprise Registration;
4. Copy of Accommodation Business Operating License issued by the National Tourism Authority or Tourism Division/Office in Provinces and Vientiane Capital;
5. Copy of Construction Permit granted by a relevant authority;
6. Investment, Concession or Leasing/Renting, Granting/Transferring Businesses License;
7. Completed employee list;
8. Balance of Payment Account;
9. Latest tax/profit tax payment receipt.

Article 7: Hotel-Guesthouse Rating Application Submission

7.1 For 3 to 5 Stars: Application form must be submitted at Tourism and Hotel Supervisory Department, National Tourism Authority, Vientiane Capital.

7.2 For 1 to 2 Stars, 1 Dok Champa to 3 Dok Champa Application form must be submitted at Tourism Division/Office in provinces and Vientiane Capital according to location where Hotel-Guesthouse are located and operated.

7.3 Hotel-Guesthouses that have received a legal approval and have been operated for a certain time can submit the rating application according to business purposes. For Hotel-Guesthouses that were rated, if need a re-rating, new application must be submitted 1 year prior to the expiration of the existing rating.

7.4 The consideration of rating approval will take no more than 90 days and the Hotel-Guesthouse rating is valid for 05 years.

Article 8: Rights and Obligations of Hotel-Guesthouse Businesses:

- Rights to request for the improving or upgrading the rate of the invested accommodations for the relevant authorities to consider based on criteria;
- Have the rights to join the membership of Lao Hotel-Restaurant Business Association;
- Have the rights to receive up-to-date information on tourism industry;
- * Have the rights to obtain fair protection from the other people's actions that might cause damages in accommodation and negative reputation that affect the rating of such businesses, and **have following**

Obligations:

- To provide necessary equipment according to criteria and the requirement of each accommodation rate.
- To pay fees according to the regulation on improving or upgrading standard rating for each rating consideration.
- To cooperate with Accommodation Rating committee to successfully implement their duties.

Part III

The Authority responsible for Hotel-Guesthouse Rating Consideration

Article 9: Hotel-Guesthouse Rating Committee including:

1. Rating Committee at Central Level;
2. Rating Committee at Provincial and Vientiane Capital Level.

Article 10: Rating Committee at Central Level Consists of:

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|---|------------|
| 1. Vice President of National Tourism Authority | Chair |
| 2. Director of Tourism-Hotel Business Supervisory Department | Vice Chair |
| 3. Director/Deputy Director General of Public Culture Department | Member |
| 4. Director/Deputy Director General of Tourism Police Department | Member |
| 5. Director/Deputy Director General of Sanitary Department | Member |
| 6. Director/Deputy Director General of Technology and Environment Organization | Member |
| 7. Director/Deputy Director General of Domestic and Foreign Investment Promotion Department | Member |
| 8. Board of Hotel-Restaurant Business Association | Member |

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|--|--------|
| 9. Board of Tourism Business Association | Member |
| 10. Board of Handicraft Association | Member |

Article 11: Rating Committee at Provincial and Vientiane Capital Level

This Committee consists of:

- | | |
|--|------------|
| 1. Provincial Governors/Deputy who supervises tourism sector, Vientiane Capital | Chair |
| 2. Director of Tourism Division/Office in provinces and Vientiane Capital | Vice Chair |
| 3. Representative from Information- Culture Divisions | Member |
| 4. Representative from Public Health Divisions | Member |
| 5. Representative from Investment Promotion Division in provinces and Vientiane Capital | Member |
| 6. Representatives from Tourism Police Division in provinces and Vientiane Capital | Member |
| 7. Technical Officials from Tourism Divisions and Offices | Member |
| 8. Head of Hotel-Restaurant Business Group | Member |
| 9. Head of Tourism Business Group | Member |
| 10. Head of Handicraft Business Group | Member |

Article 12: Rights and Duties of Rating Committee at Central Level:

Rating Committee at Central Level has following rights and duties:

- To inspect Standards and review hotel rating applications for 5 Stars, 4 Stars and 3 Stars Hotels nationwide; in order to report to the President of National Tourism Authority for approval.
- To guide and cooperate with the Hotel-Guesthouse Rating Committee in provinces and Vientiane Capital and monitor the improvement of businesses that do not meet Hotel-Guesthouse rating conditions and standards.
- To encourage Hotel-Guesthouse businesses to actively participate in Hotel-Guesthouse rating.
- To consolidate comments from accommodation businesses regarding the implementation of the rating to report to the President of National Tourism Authority.
- To summarize and report regularly the Hotel-Guesthouse rating work plan to the leading Committee in the National Tourism Authority.
- To evaluate the results of standard improvement in rating Hotel, Guesthouse to be consistent in each period.

Article 13: Rights and Duties of Rating Committee at Provincial and Vientiane Capital Level

Rating Committee at Provincial and Vientiane Capital Level has following rights and duties:

- To inspect standards and review hotel rating applications for 2 Stars and 1 Star Hotels; 1 to 3 Dok Champa Guesthouses under the Committee's scope of responsibility; in order to report to the Provincial Authority or Vientiane Capital Authority for approval.
- To raise awareness of Hotel-Guesthouse businesses regarding the rights and benefits of participating in Hotel-Guesthouse rating.
- To review the re-rating applications for Hotel-Guesthouses that had improved their service standards to upgrade to 3 Stars, 4 Stars, 5 Stars within the province of the Committee's scope of responsibility, to submit to Rating Committee at Central Level for consideration and inspection the proposed re-rating.
- To utilize the revenue from budget, service fees and aids that is available in the account to implement specific rating tasks according to targeting work plan and the committee's roles.
- To summarize and report the work regularly to the leading Committee in the National Tourism Authority.
- To implement other rights and duties assigned by the higher level.

Article 14: The Office of Hotel-Guesthouse Rating Committee:

- The Office of Hotel, Guesthouse, Resort Rating Committee at Central Level is located in the National Tourism Authority Office by assigning the Tourism-Hotel Business Management Department as the Committee.
- The Office of Hotel, Guesthouse Rating Committee at Provincial Level is located in the Tourism Division/Office in provinces, Vientiane Capital.

Article 15: The Office of Hotel-Guesthouse Rating Committee has the following roles and duties:

1. To draft all documents related to Hotel, Guesthouse Rating.
2. To develop work plan, to improve and inspect Hotel, Guesthouse Rating.
3. To consolidate information, proposal documents, and application forms from businesses that are submitted to Hotel, Guesthouse Rating Committee.
4. To record minutes of Hotel, Guesthouse Rating Committee meetings.
5. To coordinate with other agencies to inspect, improve and rate Hotels, Guesthouses.
6. To report regularly the work of Hotel, Guesthouse Rating Committee to higher level in each period.

Article 16: Inspection

The Tourism-Hotel and Restaurant Business Management Department is the focal point to coordinate with the Hotel, Guesthouse, Resort Rating Committee at Central and Provincial, Vientiane Capital Level, to monitor the compliance with

rating standard criteria of accommodation businesses under their functions across country.

Article 17: Hotel-Guesthouse Rating Committee Meetings

Hotel-Guesthouse Rating Committee Meetings are organized twice a year in the 4th week of March and the 4th week of September with the following objectives:

- To summarize the previous year implementation and work plan for the following year.
- To analyze and agree on resolution for any issues related to Hotel-Guesthouse rating across country.
- To consolidate proposed issues and feedbacks from the private sector regarding Hotel-Guesthouse rating in order to report to the leaders of the National Tourism Authority for consideration.

Part IV

Finance

Article 18: Source of Revenue

Revenue for implementing the work of the Hotel-Guesthouse Rating Committee is from the following sources:

- Budget of the National Tourism Authority.
- Service fees for Hotel-Guesthouse Rating.
- Supports from other organizations in promoting Hotel-Guesthouse Rating.

Revenue from the above mentioned sources must be managed under the specific account of the Hotel-Guesthouse Rating Committee, and maintained in Finance Division of the National Tourism Authority and Tourism Divisions/Offices in Provinces, Vientiane Capital.

Article 19: Fees for Rating:

Fees for Hotel-Guesthouse Rating from businesses are collected as following rates:

| <u>* Hotel Rates</u> | <u>Fees Amount</u> |
|----------------------------------|---------------------------|
| 1 Star | 500,000 Kip |
| 2 Stars | 600,000 Kip |
| 3 Stars | 800,000 Kip |
| 4 Stars | 1,200,000 Kip |
| 5 Stars | 1,500,000 Kip |
| <u>* Guesthouse Rates</u> | <u>Fees Amount</u> |

| | |
|--------------|-------------|
| 1 Dok Champa | 300,000 Kip |
| 2 Dok Champa | 400,000 Kip |
| 3 Dok Champa | 500,000 Kip |

Remark: *The fee for Star and Dok Champa logos will be calculated separately based on the actual production cost.*

Article 20: The Purposes of Revenue Expenditure:

This revenue is for the Hotel/Guesthouse Rating Committee to implement tasks related to Hotel/Guesthouse rating based on its roles and duties and for creating and designing harmonized Hotel/Guesthouse rating logo across country.

Article 21: Budget Approval:

The Minister, President of National Tourism Authority can approve the expenditure from revenue based on the work plan that the Hotel/Guesthouse Rating Committee officially proposes to the National Tourism Authority; in cases that the Minister, President of National Tourism Authority is not available, the assigned Vice President will consider approving the budget according to the regulation.

Part V

Implementation of Policy and Measures

Article 22: Policy for Accommodation Business with Good Performance:

Hotel-Guesthouse businesses with outstanding performance in meeting the rating criteria and other relevant regulations will receive appropriate awards and other policy according to appropriateness.

Article 23: Forms of Awards

- Hotels that are rated for 3 – 5 Stars will receive Star Logo as rating symbol according to Article 3 of this Decision.
- LOGO of the National Tourism Authority is the symbol that certified the quality standard.
- * Hotels that are rated for 1– 2 Stars will receive Star Logo as rating symbol according to Article 3 of this Decision.
- * Guesthouses that are rated for 1 – 5 Dok Champa will receive Dok Champa Logo as rating symbol according to Article 3 of this Decision.
- LOGO of Tourism Divisions/Offices in Provinces, Vientiane Capital is the symbol that certified the quality standard for 1-2 Star Hotels; 1-3 Dok Champa Guesthouses.

Article 24: Sanctions for Violation

Accommodation businesses that violate the Decision on Standard Criteria for Hotel, Guesthouse Rating will be imposed the following measures on case by case basis:

- Warning (1st Time);
- Warning and fine (2nd Time);
- Fine and temporary suspend business (3rd Time);
- Fine, terminate the rating license (Final);

Article 25: Reasons for Imposing Measures

- Do not comply with the Decision on Hotel, Guesthouse Rating
- Improve conditions and standards of hotels and guesthouses without the approval from the Hotel-Guesthouse Rating Committee.
- Modify or alternate their Hotel, Guesthouse Rating logo and Rating Certificates without the approval.
- Do not follow the recommendations from the Hotel, Guesthouse Rating Committees.
- Other reasons that violate the Hotel, Guesthouse Rating, business service standards.

Article 26: Fine

The rates of the fine are categorized as following:

+ 1st Time:

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|-----------------|------|-------------|
| For Hotels | Fine | 500,000 Kip |
| For Guesthouses | Fine | 300,000 Kip |

+ 2nd Time:

| | | |
|-----------------|------|-------------|
| For Hotels | Fine | 700,000 Kip |
| For Guesthouses | Fine | 500,000 Kip |

+ 3rd Time:

| | | |
|-----------------|------|---------------|
| For Hotels | Fine | 1,000,000 Kip |
| For Guesthouses | Fine | 700,000 Kip |

The revenue from fine will be included in the budget for implementation of the Hotel, Guesthouse Rating Committee's tasks.

Part VI

Final Provision

Article 27: Implementation

Tourism-Hotel Business Management Department is assigned to be the focal point for coordinating with departments in the National Tourism Authority and other relevant authorities in order to collaboratively and successfully implement this Decision. In case of any issues arise, they should be reported to the National Tourism Authority for further guidance.

Article 28: Effectiveness

This Decision is effective after 30 days from the date of signature.

Ministry, President of National Tourism Authority