

Decision

On the Management of Reception Halls,
Restaurants, Food Gardens and Cafés Business

No. 059/NTA, dated 26/02/07.

Unofficial translation



**Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity**

**Prime Minister's Office
National Tourism Authority**

**No. 059/NTA
Vientiane Capital, date: 26 February 2007**

**Decision
On the Management of Reception Halls, Restaurants, Food Gardens and Cafés Business**

- Pursuant to the to the Law on Tourism, No. 10/NA, dated 09/11/2005
- Pursuant to the Prime Minister's Decree, No. 91/PM, dated 30/06/2004 on the Organization and Operation of the National Tourism Authority.

In order to manage Reception halls, restaurants, food gardens and cafés business across the country for operating in compliance with the laws and regulations and service standards set by relevant line ministries aiming to ensure social order, effective and high quality services for both domestic and international tourists as well as to ensure safety for the consumers of services.

Chapter I

General Provisions

Article 1: Definitions

- 1.1.Reception halls, restaurants, food gardens business refer to places that offer food as their priority services whereas beverages are their second priority based on services payment according to the level of service conditions and quality.
- 1.2.Cafés refer to places that offer beverage as their first priority services as well as light meals based on services payment according to the level of service conditions and quality.

Article 2. General Principles on the Establishment of Reception Halls, Restaurants, Food Gardens and Cafes.

- 2.1. Reception halls, restaurants, food gardens and cafes shall obtain business registration and tax license from the Division of Industry and Commerce, the Division of Finance in

provinces, Vientiane capital where they are located after receiving a business operating license from the National Tourism Authority, the Tourism Division/Office in their provinces, Vientiane Capital or the District Tourism Offices where they are located based on the size, level of investment and services as indicated in this Decision.

2.2 Reception halls, restaurants, food gardens or cafés with licenses who wish to offer more services to their clients who use services in their premises, for instance, folk songs, international music, electron, play the music from cassettes, CDs, videos, televisions and karaoke or any similar services, shall obtain permission from relevant authorities, but have to ensure no noises disturbing the neighbors, maintain cleanliness, good air ventilation and enough lighting systems (not too dark).

2.3 Reception halls, restaurants, food gardens or cafés that received business operating license shall notify Labor and Social Welfare Sector on the use of labor and shall have contracts with employees under their administration in order to set wages and welfare for employees, workers in their business units.

Article 3. Requirements for the Establishment of Reception Halls and Restaurants, Food Gardens and Cafés

3.1. Reception halls, restaurants, food gardens and cafés shall have locations that are appropriate, spacious, and with ample parking specifically food gardens shall have beautiful natural scenery and relaxing atmosphere that are appropriate for local and foreign clients to enjoy recreation.

3.2 Reception halls, restaurants, food gardens and cafés that meet the standard shall consist of buildings with good design, permanent building structure, good systems of air ventilation, waste water treatment system, sound proof that prevent disturbance to the external, spacious dining room and may include a separate small rooms specifically to accommodate high level customers. Interior and exterior decoration should be well complemented between the national and international styles and equipped with facilities meeting the standard level.

3.3. In addition to dining rooms, Reception halls, restaurants, food gardens and cafés shall offer service system, proper women and men's toilets, kitchen (a room particularly for cooking) that at least 10 meters distance to the toilets, garbage station or waste disposal area, waste water treatment basin and drainage that meet the standards of hygiene, fire prevention system and emergency standards.

Article 4. Requirements for Hiring Human Resources

4.1. Business owners shall create employment contract for each employee in their service businesses and register the employees at the Division of Labor and Social Welfare in provinces, Capital, and obtain health certificates of their employees and so on.

4.2. Employees shall have good characteristics, friendly, and well trained on services, food and beverage preparation as appropriate according to their professions, have good communication skills in foreign language(s) and in good manner (the service manner).

Chapter II

Supervisory Authority for Reception Halls, Restaurants, Food Gardens and Cafés Business

Article 5. In order to implement harmonized and centralized principles, and ensure the effective supervision of relevant line ministries, the supervisory levels are divided into central, provincial/capital and district levels as following:

5.1. Central Level:

To have functions of supervising and inspecting provincial/capital and local level technical implementation on implementing rules and regulations, and approving business licenses for reception halls, restaurants, food gardens and cafés business units with domestic and international investment value from 1,000,000,000 Kip (one billion Kip) and above.

5.2. Provincial /Capital Level:

5.2.1 For Vientiane Capital, Savannakhet, Champasak, Luang Prabang and Khammouane provinces where tourism is fast growing, to have functions of supervising, managing, inspecting, approving, suspending and dissolving reception halls, restaurants, food gardens and cafés with domestic and international investment value from 80,000,000 Kip (eighty million Kip) to 1,000,000,000 Kip (one billion kip). The leading committees of Vientiane Capital, Savannakhet, Champasak, Luang Prabang and Khammouane provinces are assigned to make decisions based on recommendations from the Tourism Division/Offices in Vientiane Capital, Savannakhet, Champasak, Luang Prabang and Khammouane.

5.2.2: District Level:

Districts under the 05 provinces mentioned above have functions of inspecting, supervising, approving, suspending or dissolving reception halls, restaurants, food gardens and cafés with investment value of 80,000,000 Kip (eighty million Kip) and below, through the acknowledgement of the district leading committees and based on recommendations from the Tourism Offices /Units in districts.

5.3 Other Provinces where tourism is growing slowly:

5.3.1 Provinces have functions of supervising, inspecting, managing, approving, suspending or dissolving reception halls, restaurants, food gardens and cafés business units with domestic and international investment value from 40,000,000 Kip (forty million Kip) to 700,000,000 kip (seven hundred million Kip), through acknowledgement of the provincial leading committees and based on recommendations from Tourism Divisions/Offices in provinces.

5.3.2 Districts have functions of supervising, inspecting, managing, approving, suspending or dissolving restaurants, food gardens and cafés business units with domestic investment value below 40,000,000 Kip (forty million Kip) through acknowledgement of the district leading committees and based on recommendations from Tourism Offices/Units in districts.

Chapter III

Rights and Duties

of Reception Halls and Restaurants, Food Gardens and Cafés

Article 6. Reception halls, restaurants, food gardens and cafés with licenses have following rights and duties:

- 6.1. To offer services on food and beverage with quality, cleanliness and safety for health and life of customers by complying with technical requirements and reasonable prices.
- 6.2. To ensure that food preparation, food and drink storage meet hygiene principles and technical specifications.
- 6.3. To ensure services are provided with good manners, humbleness and friendly attitude that reflects unique traditions, culture of ethnic people.
- 6.4. To ensure cleanliness, beauty and neat of dining room, kitchen; outdoor areas with beautiful decoration and Lao handicrafts.
- 6.5. To ensure well organized, safe and peaceful premises, protecting and respecting traditions and beautiful national cultures.
- 6.6. To follow laws, regulations provisions issued by relevant line ministries, commit to the budget obligations on timely manner by complying with regulations and systems.
- 6.7. To develop their human resources for improvement on their field of work, foreign languages; train them to respect the national cultures, morality and traditions; train them to dress appropriately with appropriate national uniqueness and business specific abiding by laws and regulations.
- 6.8. To strictly implement opening-closing hours as indicated in the regulations in each period as well as strictly apply their internal rules.
- 6.9. To have the rights to increase their registered capital and have the rights to protect their rights and legitimate interests according to laws of Lao PDR.
- 6.10. Must have signs about location, warning, prohibition and others in Lao and foreign languages for convenience and safety of customers' lives and belongings.
- 6.11. Menu must be in Lao or foreign languages with price indication.

Chapter IV

Requirements for Establishment and Operation of Reception Halls, Restaurants, Food Gardens and Cafés Business

Article 7. Domestic and foreign individuals or legal entities can apply for permission to operate open reception halls, restaurants, food gardens and cafés business based on requirements of this Decision, except those that are prohibited by laws.

Article 8. This Decision does not permit individuals or legal entities that are absentminded, mental disorders; and on trial period or sentenced to imprison for 3 months or longer by the court due to crimes, economic frauds, robbery, deception, illegal prostitution; and underage persons.

Article 9. Domestic and foreign individuals or legal entities wish to apply for permission to establish reception halls, restaurants, food gardens and cafés business shall submit documents as procedure below:

9.1 Documents required for business establishment include the following:

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|-----|---|----------|
| 01. | Application form for Business Establishment | 3 copies |
| 02. | Land Certificate (or detailed information on land use or buildings) and Certificate of Attorney | 3 copies |
| 03. | Certificate of Residence no more than 3 months old, the identity card (copies per each) | 3 copies |
| 04. | Alien registration card or (Passport), investment license (for foreigners) | 3 copies |
| 05. | Investor's resume | 3 copies |
| 06. | Penalty notice No. 3 from the People's Court (not exceeding 3 months old) | 3 copies |
| 07. | Feasibility Study Report | 3 copies |
| 08. | License and construction plant or renovation or extension | 3 copies |
| 09. | Financial Statement | 3 copies |

**** All of the above required documents for business establishment must be submitted in accordance with Article 05 under this Decision.***

9.2. Documents required for business operating license application include the following:

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|------|--|----------|
| 01. | Application form for Business Operating License | 3 copies |
| 02. | Copy of Business Establishment License | |
| 03. | Copy of permit for construction or renovation | 3 copies |
| 04. | Lease/purchasing contract of land or buildings and other properties | 3 copies |
| 05. | Enterprise/partnership enterprise's (if the enterprise is partnership type) code of conduct | 3 copies |
| 06. | Bank account, detailed asset account (copies per each) | 3 copies |
| 07. | Health certificate and resumes of each employee (copies per each) | 3 copies |
| 08. | Business Insurance | 3 copies |
| 09. | Employment contract | 3 copies |
| 010. | Record of the last inspection by designated committee at different levels of investment and management | 3 copies |

**** Documents mentioned above for business license application shall be submitted in accordance with investment levels as indicated in Article 05 under this Decision.***

Article 10. Reception halls and restaurants, food gardens and cafés business operating licenses are valid for 2 years.

Article 11. Required documents for business license extension include the following:

1. Application form for business license extension for reception halls, restaurants, food gardens and cafés
2. Tax payment certificate of the previous year,
3. Copies of tax license, business registration certificate and business insurance
4. Asset Account Statement and Balance Sheet.

** Documents mentioned above for business license extension shall be submitted in accordance with investment levels as indicated in Article 05 under this Decision.*

Chapter V

Inspection of Reception Halls, Restaurants, Food Gardens and Cafés

Article 12. Owners of Reception halls and restaurants, food gardens and cafés business shall well cooperate with relevant officials in each inspection as indicated in Article 12, 13 and 14 under this Decision. Measures will be implemented according to laws promulgated by government on refusal and not cooperate with officials based on light or serious cases.

Article 13. Special Inspection Committee at central level is appointed by Minister, the President of the National Tourism Authority which consists of:

1. Department of Tourism and Hotel Business Management, the National Tourism Authority.
2. Department of Tourist Police.
3. Department of Food and Drugs and /or the Department of Hygiene, Ministry of Health.
4. Ministry of Information and Culture.
5. Ministry of Labour and Social Welfare.

The Special Inspection Committee can coordinate with relevant provincial, Vientiane Capital or district officers to ensure effective performance as well as coordinate with relevant line ministries to assist in achieving the set targets.

Article 14. The Special Inspection Committee for reception halls, restaurants, food gardens and cafés at provincial, Capital level are appointed by the provincial, Vientiane Capital governors, based on recommendations from Tourism Divisions /Offices in provinces and Vientiane Capital which consists of:

1. Tourism Divisions /Offices in provinces, Vientiane Capital.
2. Division of Industry and Commerce in provinces, Vientiane Capital.
3. Division of National Defense in provinces, Vientiane Capital.
4. Division of Finance in provinces, Vientiane Capital.

5. Division of Health in provinces, Vientiane Capital.
6. Division of Information and Culture in provinces, Vientiane Capital.
7. Division of Labor and Social Welfare in provinces, Vientiane Capital.
8. Division of Transport - Post and Construction in provinces, Vientiane Capital.
9. Relevant District Tourism Offices.
10. Relevant Village Authority in districts.

Article 15. Special Inspection shall be conducted based on the following cases:

1. To conduct annual inspection once a year in January of every year
2. To conduct inspection when receive orders from provincial, Vientiane Capital authorities or the National Tourism Authority.
3. To conduct inspection upon requests from the people, head villages and relevant districts.
4. To conduct inspection upon requests from relevant ministries, government authorities.
5. To conduct inspection upon requests from relevant business owners.
6. To follow up the results of previous inspection.

Chapter VI

Prohibitions and Measures

Article 16. Prohibitions

1. Operating reception halls, restaurants, food gardens and cafés business before approval is strictly prohibited.
2. Establishment of reception halls, restaurants, food gardens and cafés in official restrictive areas, the national defense – public security location, close to the temples and schools is prohibited.
3. Reception halls, restaurants, food gardens and cafés are prohibited to host illegal gathering, any kinds of gambling and illicit drugs within their premises and elsewhere.
4. Reception halls, restaurants, food gardens and cafés are strictly prohibited to offer services of liquor or alcoholic drinks to the people who are drunk, senseless, mental disorders and children under 18 years old.
5. Reception halls, restaurants, food gardens and cafés are prohibited to allow others or run their own prostitution by any means within their premises.
6. Recruiting foreign employees without approval from the Ministry of Labor and Social Welfare and line ministries is prohibited.
7. Reception halls, restaurants, food gardens and cafés are prohibited to offer entertainment services before approval from relevant line ministries.
8. Reception halls, restaurants, food gardens and cafés that offer entertainment services are strictly prohibited to allow an individual to bring any types of weapons into their premises.
9. Employees in Reception halls, restaurants, food gardens and cafés are prohibited to dress impolitely, too short or in a seducing manner.

Article 17. Individuals or legal entities, as the owners of reception halls, restaurants, food gardens and cafés, who violated this Decision will be implemented measures based on light and serious cases as following:

1. Education.
2. Official warning letter.
3. Warn and fine.
4. Fine and suspend the business.
5. Fine, withdraw business licenses and lawsuit.

Article 18. Reception halls, restaurants, food gardens and cafés will be educated and warned by official letter if they operate businesses without official approval, and hold business licenses but operate businesses and services that are not consistent with the principles and management system of reception halls, restaurants, food gardens and cafés, lack of hygiene and safety, lack of morality and quality service. Reception halls, restaurants, food gardens and cafés shall take actions to solve the problems and improve their services within the timeframe indicated in the warning letter from relevant authorities.

Article 19. Reception halls, restaurants, food gardens and cafés will be warned, fined or suspended if:

1. Fail to follow the 1st warning within indicated timeframe, such business will be fined 500,000 Kip.
2. Reception halls, restaurants, food gardens and cafés that serve liquor or alcoholic drinks to drunk people, under 18 years old, senseless and mental disorders; and lack of hygiene and safety, cause damage to the environment, provide immoral services, and cause food poisoning will be fined up to 1,500,000 Kip .
3. Reception halls, restaurants, food gardens and cafés that still have no improvement after the 1st warning and fine will be subject to additional fine up to 3,000,000 Kip and will be suspended for 3 months to improve and solve the problems in accordance with laws and regulations.
4. Reception halls, restaurants, food gardens and cafés with or without business licenses that host gambling, illicit drugs trading, prostitution or allow others to break laws in any forms will be fined up to 5,000,000 Kip, and will be sued to the court for jurisdiction according to laws and regulations and will be withdrawn the business license.

Chapter VII

Implementation

Article 20. This Decision is retroactive for the approved reception halls, restaurants, food gardens and cafés business and relevant business units shall fully and strictly conform to this Decision.

Article 21. Ministries, Departments, ministry-equivalent organizations, all sectors, and organizations across the country have duties to coordinate and cooperate in strictly implementing this Decision in an effective manner.

Article 22. Any resolutions, orders and regulations related to reception halls, restaurants, food gardens and cafés that contradict with the content of this Decision shall be cancelled.

Article 23. This Decision is effective after 30 days from the date of signature.

Minister,

President of the National Tourism Authority

(Signature and Seal)

Mr. Somphong MONGKHONVILAY