

Unofficial Translation



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Prime Minister's Office
National Tourism Authority

No. 159/ PMO
Vientiane, 30 July 1997

Decision On Standard of Hotels, Guesthouses in Lao PDR

- Pursuant to Law on Tourism No. 10/NA, dated 09/11/2005.
- Pursuant to the Decree No. 91/PM, dated 30/06/1997 on Organization and Operation of the National Tourism Authority.

In order to supervise hotel and guesthouse activities in Lao PDR into regulating system and centrality across country focusing on upgrading quality of accommodation services, with standard and good quality for operating business, ensure the public security, social order, create conditions, facilitation and safety for service consumers in hotel-guest venue.

**Minister, Chair of National Tourism Authority
Hereby issued a Decision**

Part I General Provisions

Article 1: Hotels and guesthouses are buildings that supply rooms as accommodation for individuals who want to stay based on service payment.

In this Decision, it is called: "Hotel" for Building with good condition rooms from 15 rooms and above. Buildings with rooms less than 14 rooms are called: "Guesthouse".

This Decision includes cruise that provides accommodation service.

Article 2: Objective of hotel-guesthouse is for individuals to stay on daily basis, weekly or monthly but not as permanent accommodation. Such hotels-guesthouses are for quality serving and servicing guests.

Article 3: Hotels-guesthouses that are approved to operate business according to regulations will be rated based on condition and standard of hotels-guesthouses that has been defined and notified separately.

Hotel-guesthouse rating is indicated by “Star” symbol from 1 to 5 stars that have been certified by the National Tourism Authority.

Hotels-guesthouses are able to apply for upgrading their rating if there are improvement in condition and standard according to regulations and principles.

Hotel-guesthouse rating will be reduced if they cannot meet the conditions and standard, regulations and principles

Article 4: Hotels-guesthouses can provide services such as: Restaurant, Drinking-Entertainment, selling handicraft products, beauty salon and others which not prohibited by laws and this Decision. However, service providers shall apply for business registration, taxation and get an approval for specific service business operation from relevant authorities prior operating business.

Article 5: Hotels-guesthouses that legitimately received an approval for business operation have obligation on fund to promote tourism according to ratio set by the government. Relevant Tourism Offices in provinces-Vientiane Capital are assigned to collect those charges and transfer to the National Fund to Promote Tourism Account of the National Tourism Authority in accordance with regulations.

Part II

Hotel-Guesthouse Service Business Supervisory Levels

Article 6: The National Tourism Authority has following rights and duties:

- 6.1 To monitor, inspect hotels-guesthouses on the basis of central principles across country that stated in Article 6, No 6.18, 6.19, 6.20 of Prime Minister’s Decree No. 100/PM, dated 23/12/1992 on the Organization and Operation of the National Tourism Authority.
- 6.2 To inspect and approve Hotel-guesthouse rating on cases as stated in Article 19 and 20 of this Decision.
- 6.3 To review, consider an establishment application, application for operating hotel-guesthouse business of domestic investment and projects of foreigners that are invested in hotel-guesthouse sector in Lao PDR.
- 6.4 To review, consider suspension and termination of hotel-guesthouse business operating license according to this Decision.

Article 7: Tourism Office in Provinces-Vientiane Capital are secretary for the National Tourism Authority in macro-supervisory regarding hotel-guesthouse service business according to supervisory level of government, which have following roles, rights, duties:

- 7.1 To supervise operation of hotel-guesthouse service business to be compliant with laws and regulations enforced by government and other regulations that are issued by the National Tourism Authority and the Prime Minister’s Office.
- 7.2 To review, consider, provide comments on foreign investment in hotel-guesthouse sector that operated in their area through comments of the National Tourism

Authority and provinces-Vientiane Capital to propose to the Investment Supervisory Committee for approval consideration.

- 7.3 To review, consider an establishment application, application for operating hotel-guesthouse business through comments of the National Tourism Authority and provinces-Vientiane Capital for approval consideration.

For guesthouse business is to be directly requested to provinces-Vientiane Capital for consideration.

- 7.4 To regularly monitor, collect business operation activities of all hotel-guesthouse businesses located in provinces –Vientiane Capital, to evaluate and find the right and suitable solutions for problems according to their roles in collaboration with line ministries if necessary, in order to improve quality, services and ensure order of the society.
- 7.5 In case it is necessary to inspect a hotel-guesthouse business, the request shall be submitted to the National Tourism Authority and provinces-Vientiane Capital in order to establish special committee (temporary), which consists of line ministries to operate according to regulations.
- 7.6 To strictly implement measures to hotel-guesthouse businesses that violate and breach laws regulations and this Decision as follow:
- To actively implement warning, fine promptly.
 - To order suspension and termination of hotel-guesthouse business license through comments from the National Tourism Authority and provinces-Vientiane Capital.
- 7.7 Every hotel-guesthouse business operation supervisory activities shall be regularly reported to the National Tourism Authority and provinces-Vientiane Capital in order to follow up actual situation and provide the right guidance promptly.

Chapter III

Roles, Rights and Duties of Hotel-Guesthouse Service Business

Article 8: Hotels-guesthouses have following Roles, Rights and Duties:

- 8.1 To fully, correctly and strictly implement this Decision.
- 8.2 To provide good services to guests and take responsibility to all cases occurred in the hotels-guesthouses that are caused by their mistakes.
- 8.3 To ensure security system for guests who consume services such as electricity system and other safety.
- 8.4 To note and record information of guests who stay each time such as: name and surname, date of birth, nationality, occupation, passport number or ID, travelling purposes, check-in check-out date, departure destination, border check point, room number and other information that hotels-guesthouses consider necessary must record names in the record.
- Hotels-guesthouses shall collect statistics of accommodation service neatly and in details each month and send that data to the National Tourism Authority, tourism office in provinces, public security of districts and Vientiane Capital based on hotel-guesthouse location for ease of cooperation with line ministries.
- 8.5 To actively cooperate with relevant officials who are on duties to inspect hotels-guesthouses.
- 8.6 To provide basic of materials and equipment based on rating type requested by their own hotels-guesthouses.

8.7 To protect environment by installing the sewerage management system and garbage collection for hotels with more than 50 beds. Hotels with less than 50 beds and guesthouses shall have dirty water drainage system and garbage collection. In case there is an entertainment room, hotels-guesthouses shall ensure having sound proof system.

Article 9: Hotels-guesthouses shall have their internal rules based on regulations and principles issued by relevant line ministries in order to manage staff, services and internal order of hotels-guesthouses. Such rules shall be placed in the rooms and other service rooms.

Article 10: Hotels-guesthouses shall implement price of accommodation according to scope approved by relevant officers based on standard and rating of Hotels-guesthouses or clearly stated in their advertising brochure.

- Price of accommodation shall be clearly posted in the reception area for guests or clearly stated in their advertising brochure.
- Changing price of accommodation that is over approved scope shall be notified to relevant officers prior implementation.

Article 11: Hotels-guesthouses shall implement full accounting-financial system that enforced by the government and strictly implement other obligations to the government. Such financial accounting shall be concluded within timeline and informed relevant officers.

Article 12: - Services in hotels-guesthouses shall include trained staff or graduates from the hotel management and hospitality from within country or abroad.
- Hotels-guesthouses shall maintain their detailed employee records with their health certificate of each year and report to relevant officers per their requested.

Part IV

Requirements for Operating Hotel-guesthouse Service Business

Article 13: Individuals or legal entities who want to operate hotel-guesthouse service business in Lao PDR shall have these criteria:

- 13.1 To have right abilities and behavior according to laws of Lao PDR.
- 13.2 To be an individual or legal entity who has no criminal record or punishment by the court for reasons such as: fraud, government tax avoidance, business bankruptcy, related to prostitution, drugs and etc.
- 13.3 In case of foreign investors (individual or legal entity) shall certify curriculum vitae and background prior investing in Lao PDR such as technical capability, financial status, activities done abroad and etc.
- 13.4 For guesthouse business operation will be considered for only individuals or legal entities who are Lao national.

Part V

Regulation for Hotel-guesthouse Service Business Establishment and Operation

Article 14: Individuals or legal entities who want establish and operate hotel-guesthouse service business shall follow following procedures:

- 14.1 To apply for establishment and enterprise registration at the National Tourism Authority, Commerce Division in provinces-Vientiane Capital.
- 14.2 To apply for tax registration at Finance Division in provinces-Vientiane Capital after having the enterprise registration.
- 14.3 To apply for hotel-guesthouse service business operation approval at National Tourism Authority or relevant tourism office in provinces.

Article 15: Application for hotel-guesthouse business establishment shall consist of following documents:

- 15.1 Application form for hotel-guesthouse business establishment.
 - 15.2 Copy of ID, detailed CV, health certificate and residency certificate of the project owner or director (for foreigners or Lao people).
 - 15.3 Investment certificate issued by relevant officers, copy of passport and permission to stay in the Lao PDR (for foreigners).
 - 15.4 Criminal record No 3.
 - 15.5 Plant of hotels-guesthouses (in whole and details).
 - 15.6 Economic analysis report.
 - 15.7 Joint venture agreement (if a joint venture business) including rules of a business unit.
 - 15.8 Photo size 3x4, 8 photos.
- # following additional documents are required for a legal entity:
- 15.9 Business operating license issued by relevant officers.
 - 15.10 Copy of the latest tax certificate.
 - 15.11 In case the hotel owner is not the hotel manager, there is a need for contract between hotel owner and hotel manager.

Article 16: Application for hotel-guesthouse business operation approval shall consist of following documents:

- 16.1 Application form for Hotel-guesthouse business operation.
- 16.2 Property lease agreement (if property owned by others).
- 16.3 Construction permit (for a hotel will be newly built) or repairing permit (for an old building that is modified to become a hotel-guesthouse) issued by relevant officers.
- 16.4 Civil insurance for a hotel-guesthouse.
- 16.5 Balance sheet summarizing assets, debts before starting business (capital, money deposit in the bank and other assets).
- 16.6 Rules of a business unit.
- 16.7 Copy of enterprise registration certificate.
- 16.8 Copy of tax registration certificate.
- 16.9 Photo size 3x4, 2 photos.

Article 17: For foreign investment projects that fully received investment approval shall submit the application form for hotel-guesthouse service business establishment and operation with relevant authorities as defined in Article 13, 14, 15, 16 above.

Article 18: Hotel-guesthouse service business operating license has validity period certified annually by relevant officers for continuity of business.

In order to continue hotel-guesthouse service business operation each year following documents shall be submitted:

18.1 Application form for continuing hotel-guesthouse service business operation.

18.2 Copy of the previous year tax certificate.

18.3 Annual Balance Sheet summarizing assets and debts.

for hotels-guesthouses that have previously operated hotel-guesthouse service business prior the issuance of this Decision shall submit following additional documents:

18.4 Civil insurance for a hotel-guesthouse.

18.5 Hotel-guesthouse inspection certification issued by relevant officers.

18.6 Previous construction or repair permit.

18.7 Hotel-guesthouse service business operating license.

18.8 Joint venture agreement (if a joint venture business) and rules of a business unit.

18.9 Copy of ID, detailed CV, health certificate and residency certificate of the business owner or director (manager).

Part VI

Hotel-guesthouse Inspection

Article 19: Issuing the business silencing for Hotel-guesthouse of concerned officers must be inspected at mentioned in regulation and provision, standard requirement and enforcement.

Article 20: Inspection is to be implemented in following cases:

20.1 Upon a request of hotel-guesthouse owner.

20.2 Upon an order from the Prime Minister's Office or Vientiane Capital Governor.

20.3 When there is a circumstance and a serious case occurred in a hotel-guesthouse.

20.4 For hotel-guesthouse re-rating.

Article 21: Hotel-guesthouse inspection is divided in to 2 levels of: central level and local level. Inspection Committee in all levels consist of following line ministries:

- The National Tourism Authority or tourism office in provinces -Vientiane Capital.
- Ministry of Information and Culture or information and culture division in provinces -Vientiane Capital.
- Ministry of Home Affairs or Public Security Office in provinces -Vientiane Capital.
- Ministry of Health or health division in provinces -Vientiane Capital. Such Committee can assign more officers from relevant line ministries as necessary.
- The Prime Minister's Office assigns Inspection Committee at central level as requested by The National Tourism Authority.
- Vientiane Capital governor or other governors assign inspection committee at local level as requested by The National Tourism Authority, tourism office in provinces - Vientiane Capital.
- Inspection shall have objectives, exact purposes and related to security, supervisory, environment and hygiene.

Part VII
Prohibition and Implementation of Measures

Article 22: Prohibition.

- 22.1 Hotels-guesthouses are prohibited to use or permit individuals, groups of people to use their place for illegal activities such as:
 - 22.1.1 Illegal trade of: prohibited goods, smuggled goods, drugs and etc.
 - 22.1.2 Any forms of prostitution, pornographic movies, films, videos, film slides, CD.
 - 22.1.3 All types of gambling and drugs.
 - 22.1.4 Organize any gathering or activities that affect national defense and security work.
- 22.2 Hotels-guesthouses are prohibited to use or permit individuals, groups of people to carry weapons, explosive chemicals or other dangerous things to the rooms.
- 22.3 Hotels-guesthouses are prohibited to open and provide services without inspection according to regulations.
- 22.4 Hotel-guesthouse owners are prohibited to give-transfer, pass or sell hotel-guesthouse business operating license to others without the approval by relevant officers.

Such license that are received, transferred or bought is considered as legally ineffective.
- 22.5 Individuals or legal entities are prohibited to become a hotel-guesthouse owner without permission from officers in relevant ministries.

Article 23: Implementation of measures

Individuals or legal entities that are an owner of a hotel-guesthouse, which violates this Decision, will be imposed the following measures on light or serious case basis:

- 23.1 Warning by an official letter.
- 23.2 Warning and fine.
- 23.3 Fine and suspend business activities.
- 23.4 Fine and permanently terminate business license.
- 23.5 Fine and raise the case to the court.

Article 24: A hotel-guesthouse will be warned by an official letter because there is abnormal ministration and services, that are not compliant with the principles and relevant supervisory regulations from relevant authorities such as no hygiene and security, no ethical in servicing. Such warning will be without fine.

A hotel-guesthouse is required to correct their mistakes and negligence promptly within timeframe that is informed by relevant officers in the warning letter.

Article 25: a hotel-guesthouse will be warned, fined and suspended business operation because of following reasons:

25.1 Not follow the first warning within the provided timeline. A Hotel-guesthouse will be fined not more than kip.

25.2 Not implement their obligation on the National Fund for Tourism Promotion according to principles and timeline set by relevant officers.

In case implementing their obligation later than 1 month without any reasons, such hotel-guesthouse will be fined 10% of the value of their obligation.

Percentage of the fining will be increased 10% of total obligation each month that is unpaid plus total fine, if reach 50%, such hotel-guesthouse business operation will be suspended.

25.3 To use or allow others to use their place for gambling, prostitution, illegal trade, produce-distribute and play video with pornographic picture and content.

Such hotel-guesthouse will be fined 25% of value of confiscated products and assets or the value that hotel-guesthouse received from those activities as well as be suspended business operation.

25.4 To give-transfer, pass or sell hotel-guesthouse business operating license to others without the approval by relevant officers.

Article 26: A hotel-guesthouse that has been warned twice, but still continue their activities and does not correct their negligence, will be suspended business operation.

Article 27: Business suspension each time is no longer than 3 months. This timeline can be extended to maximum of 2 months, if there is still no improvement, solution or still under improvement period.

In case a hotel-guesthouse still does not solve the problems after the end of second time of extended period. Relevant officers will permanently close such business. If a hotel-guesthouse later wants to reopen the closed business, it shall follow procedures, conditions and regulation in this Decision.

Article 28: Hotel-guesthouse will be indicted for their business operation due to:

28.1 Permanently stop their business on voluntary basis or be suspended as defined in in Article 27.

28.2 Judgment of court to terminate business operating license.

28.3 Not implement their obligations to government i.e. National Fund for Tourism Promotion in 1 year.

Article 29: A hotel-guesthouse will be petitioned for a case due to:

29.1 Not solve the problems that caused by their mistakes.

29.2 Not implement their obligations to government i.e. National Fund for Tourism Promotion in 1 year.

Article 30: Money received from fining will be given to National Fund for Tourism Promotion according to regulations.

Article 31: A hotel-guesthouse that legally operate their business and in accordance with this Decision providing quality services and create good publicity for Lao PDR will receive appropriate awards from relevant officers.

Part VIII
Final Provision

Article 32: This Decision is effective across country.

Article 33: All business activities in a hotel-guesthouse such as: restaurant-eating drinking, entertainment, traditional massage, beauty salon, souvenirs shops, sports are under supervisory inspection service of the National Tourism Authority and tourism office in provinces-Vientiane Capital. Regarding specific technical content is under relevant line ministries.

Article 34: The National Tourism Authority has a duty to issue Guidelines for implementing this Decision and coordinate with local government authority and surrounding government sectors for widely dissemination.

Article 35: This Decision replaces the Decision of the Prime Minister's Office No.159/PMO dated 30/07/1997 on Hotel-Guesthouse Service Business Supervisory.

Article 36: Hotels-guesthouses that started business prior the announcement of this Decision have duties to improve, solve their own status to be compliant to conditions, regulations of this Decision within 6 months from the date of the announcement of this Decision.

If passing the date mentioned above, relevant hotels-guesthouses still do not improve, solve their status, will be warned and implemented measures on light-serious case basis.

In case facing some difficulties for improvement their status within provided timeline, the owner of a hotel-guesthouse service business or manager must submit a request and proposal as appropriate.

Article 37: This Decision is entry in to force from the date of signature until there is further change.

Minister of Prime Minister's Office
President of the National Tourism Authority

