

Unofficial translation



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

Ministry of Post and Telecommunications

**No.: 2555/MPT
Vientiane Capital, 29 August 2016**

Decision

on Approval for Postal Service Business Operation

- Pursuant to the Law on Post No. 45/NA, dated December 25, 2013;
- Pursuant to the Law on Investment Promotion No. 02/NA, dated July 08, 2009;
- Pursuant to the Prime Minister's Decree No. 303/PM, dated September 26, 2011 on the Organization and Operation of the Ministry of Post and Telecommunications.

The Minister issues a Decision:

**Chapter 1
General Provisions**

Article 1 Objectives

This Decision defines principles, regulations, and measures on the organization, activity, management, monitoring, and inspection of postal service business operations in order to ensure the provision of quality, convenient, quick, and safe postal services to society. The Decision also guarantees that post will be sent from senders to receivers punctually, aiming at promoting a domestic and international postal service to contribute to national socio-economic development.

Article 2 Permission for postal service business operation

Postal service refers to a service for depositing, delivering, and distributing items via post, printing and selling stamps and other postal products, providing post and public letter boxes, and receiving and sending electronic information, as well as offering postal financial services.

Permission for a postal service business operation grants rights to individuals or legal entities to deposit, deliver, and distribute items via post, print and sell stamps and other postal products, provide post and public letter boxes, and receive and send electronic information, as well as offering domestic and international postal financial services.

Article 3 Definitions

Terms used in this Decision have the following definitions:

1. **Postal service counter** refers to a place for depositing, delivering, and distributing items via post located at bus stations, airports, ports, train stations,

markets, educational institutes, hospitals, hotels, community areas, and other places. The counter acts as a postal agent permitted by the Postal Management Authority;

2. **Postal agent** refers to individuals, legal entities, or organizations who act as an agent providing some postal service, namely depositing and distributing items of post and selling stamps and other postal products;
3. **Logistics post** refers to a particular item delivered by post which is large in size or a special shape weighing more than 50kg, but not exceeding 200kg per box or per parcel;
4. **Receiving and sending electronic information service** refers to a receiving and sending information service via relevant telecommunications technology at a post office, such as fax, computer, and other devices.

Article 4 Scope of Application

This Decision is applied to both domestic and foreign individuals and legal entities who operate postal service businesses in the Lao PDR.

Chapter 2 **Types of Postal Service Business Operation**

Article 5 Types of postal service business operation

There are 3 types of postal service business operation as follows:

1. Postal service business operation type 1;
2. Postal service business operation type 2;
3. Postal service business operation type 3.

Article 6 Postal Service Business Operation Type 1

Postal service business operation type 1 refers to a domestic and international postal service consisting of the following activities:

1. Services for depositing, delivering, and distributing items, parcels, and logistics post;
2. Services for receiving and sending electronic information;
3. Postal financial services;
4. Printing and selling stamps and other postal products;
5. Public post and letter box services.

Article 7 Postal Service Business Operation Type 2

Postal service business operation type 2 refers to an international postal service for depositing, delivering, and distributing items, parcels, and logistics post.

Article 8 Postal Service Business Operation Type 3

Postal service business operation type 3 refers to a domestic postal service for depositing, delivering, and distributing items, parcels, and logistics post.

Chapter 3

License Issuance

Article 9 Approval

Domestic and foreign individuals or legal entities who intend to operate a postal service business shall comply with the Law on Investment Promotion;

The Ministry of Post and Telecommunications issues business licenses for postal service businesses types 1 and 2. The organization also extends business licenses for postal service businesses type 1.

Provincial/Vientiane Capital Post and Telecommunications Divisions issue business licenses for postal service businesses type 3 and extend business licenses for postal service businesses types 2 and 3.

Article 10 Conditions for Approval

Domestic and foreign individuals or legal entities who intend to operate a postal service business type 1 shall comply with the following conditions:

1. Have stable financial status, a bank account in the Lao PDR, and registered capital of at least 3 billion kip approved by relevant authorities;
2. Have staff members who possess knowledge, capability, and experience matched to their tasks and are highly responsible in their work.
3. Have technical experts with at least a diploma in postal services or a similar field, and a work certificate certifying at least 3 years' experience;
4. Have technical experts with at least a diploma in accounting, finance, or business administration, and a work certificate certifying at least 3 years' experience;
5. Have appropriate numbers of technical assistants based on business size;
6. Have a permanent headquarters with sufficient and proper numbers of vehicles and equipment based on business size;
7. Have an effective business plan;
8. Establish branches or service counters in every province within 3 years.

Domestic and foreign individuals or legal entities who intend to operate a postal service business type 2 must comply with the following conditions:

1. Have stable financial status, a bank account in the Lao PDR, and registered capital of at least 2 billion kip approved by relevant authorities;
2. Have staff members who possess knowledge, capability, and experience matched to their tasks and are highly responsible in their work.
3. Have technical experts with at least a diploma in postal services or a similar field, and a work certificate certifying at least 3 years' experience;
4. Have appropriate numbers of technical assistants based on business size;
5. Have a permanent headquarters with sufficient and proper numbers of vehicles and equipment based on business size;
6. Have an effective business plan;

If individuals or legal entities meet the criteria as defined above, the Ministry of Post and Telecommunications will consider and issue a business license necessary for requesting an enterprise registration and tax license from the relevant sectors.

Domestic and foreign individuals or legal entities who intend to operate a postal service business type 3 shall comply with the following conditions:

1. Have stable financial status, a bank account in the Lao PDR, and registered capital of at least 1 billion kip approved by relevant authorities;
2. Have staff members who possess knowledge, capability, and experience matched to their tasks and are highly responsible in their work.
3. Have technical experts with at least a diploma in postal services or a similar field, and a work certificate certifying at least 2 years' experience;
4. Have appropriate numbers of technical assistants based on business size;
5. Have service counters at bus stations, ports, airports, markets, train stations, and other suitable places;
6. Have appropriate quantities of equipment based on business size;

For those who meet the criteria as set forth above, Provincial/Vientiane Capital Post and Telecommunications Divisions will consider and issue a business license necessary for requesting an enterprise registration and tax license from relevant sectors.

Article 11 Conditions for expanding branches or service counters

Postal service operators who intend to expand branches or service counters must report this in writing to the responsible organization and comply with the following conditions:

1. Receive permission from the Provincial/Vientiane Capital Post and Telecommunications Division on the basis of unanimous agreement from the District/Municipal Post and Telecommunications Office;
2. Have offices for the expanded branches or service counters;
3. Have a sign displaying the company's name correctly in Lao and foreign languages;
4. Have experienced staff members;
5. Have vehicles and equipment based on the technical standard of the postal sector.

Article 12 Document submission

Those who request a business license shall submit the following documents:

1. A request form;
2. A copy of a family book, an ID (for local citizens), a passport (for foreign citizens);
3. A certificate of residence;
4. An economic analysis.

Those who request a business license extension shall submit the following documents:

1. A extension request form;
2. A copy of a business license and tax record of the previous year;
3. A copy of a family book, an ID (for local citizens), a passport (for foreign citizens);
4. A certificate of residence.

The business license extension shall be completed no later than March 31st of the requesting year.

Article 13 Request consideration

The post and telecommunications sector will consider the issuance of a business license to requesters within 10 official days starting from the day the request is made and after receiving correct and complete documents. If the submitted documents are incorrect or incomplete, the sector shall inform the requesters within 5 official days.

If the request is declined, the sector shall inform requesters of the reasons in writing within 5 official days.

Article 14 Service fees and charges

Service fees and charges for issuing and extending a business license for postal service business operations shall be implemented in accordance with the President's Decree on Service Fees and Charges promulgated in each period.

Article 15 Reporting

Postal service business entrepreneurs shall report monthly, quarterly, and yearly statistical data, production quantities, production costs, and tax payments to the relevant authorities correctly and regularly, based on the following instructions:

1. Direct report from postal service business operator type 1 to the Postal Department;
2. Postal service business operator type 2, type 3, branches, and service counters report to Provincial/Vientiane Capital Post and Telecommunications Divisions;
3. Monthly, quarterly, and yearly report no later than the 15th of the following month.

Chapter 4

Rights and Duties of Management Authorities

Article 16 Rights and duties of the Ministry of Post and Telecommunications

In managing postal service business operations, the Ministry of Post and Telecommunications has the following rights and duties:

1. Permit, extend, suspend, withdraw, or terminate postal service business operation type 1;
2. Permit, extend, suspend, withdraw, or terminate postal service business operation type 2;
3. Manage, monitor, and inspect service providers in implementing this Decision;
4. Publicize and disseminate this Decision widely;
5. Lead and guide Provincial/Vientiane Capital Post and Telecommunications Divisions in implementing this Decision;
6. Keep records of statistical data, production quantities, production costs, and numbers of service users;
7. Collect service fees, charges, and fines;
8. Protect and ensure justice for service providers and users;
9. Summarize and report the Ministry's work performance to the Government regularly;

10. Exercise other rights and duties as assigned by the above authorities.

Article 17 Rights and duties of Provincial/Vientiane Post and Telecommunications Divisions

In managing postal service business operations, Provincial/Vientiane Post and Telecommunications Divisions have rights and duties based on their scope of responsibility as follows:

1. Extend a business license for postal service business operation type 2;
2. Issue, extend, suspend, withdraw, or terminate postal service business operation type 3;
3. Study comments related to the expansion of branches or service counters of postal service business operations types 1 and 2 before summarizing and submitting the summary to the Ministry of Post and Telecommunications for consideration;
4. Publicize and disseminate this Decision within local areas;
5. Manage, monitor, and inspect the implementation of this Decision within local areas;
6. Lead and guide District Post and Telecommunications Offices in implementing this Decision;
7. Keep records of statistical data, production quantities, production costs, and numbers of service users within local areas;
8. Collect service fees, charges, and fines within local areas;
9. Protect and ensure justice for service providers and users within local areas;
10. Summarize and report Divisional work performance to the Ministry of Post and Telecommunications regularly;
11. Exercise other rights and duties as assigned by the above authorities.

Article 18 Rights and duties of District/Municipal Post and Telecommunications Offices

In managing postal service business operations, District/Municipal Post and Telecommunications Offices have rights and duties based on their scope of responsibility as follows:

1. Study comments related to the expansion of branches or service counters of postal service business operators type 3 before summarizing and submitting the summary to the Post and Telecommunications Division for consideration;
2. Publicize and disseminate this Decision within local areas;
3. Manage, monitor, and inspect the implementation of this Decision within local areas;
4. Keep records of statistical data, production quantities, production costs, and numbers of service users within local areas;
5. Protect and ensure justice for service providers and users within local areas;
6. Summarize and report the Office's work performance to the Post and Telecommunications Division regularly;
7. Exercise other rights and duties as assigned by the above authorities.

Chapter 5 Prohibitions

Article 19 Prohibitions

Prohibitions for postal service business operators are as following:

1. Operating a postal service business without permission;
2. Operating a postal service business beyond their business license and scope of permission;
3. Offering a service depositing, delivering, and distributing banned or illegal items;
4. Allowing their business license to be used, rented, or transferred to others without permission;
5. Spreading false information to discredit competitors;
6. Behaving illegally.

Chapter 6

Awards for Good Performance and Measures against Violators

Article 20 Awards for Good Performance

Postal service business operators who provide a quality, genuine, and legal service in accordance with this Decision will be rewarded or subject to other appropriate policies.

Article 21 Measures against Violators

Individuals, legal entities, or organizations who breach this Decision will be educated, warned, punished, fined, or have their business license suspended or withdrawn or will be prosecuted under civil or criminal procedures depending on the severity of their violation. They shall also be liable for any damage incurred.

Article 22 Fine Measures

Individuals and legal entities that violate this Decision shall be fined as follows:

1. Operating a postal service business without permission, 50,000,000 kip fine;
2. Allowing their business license to be used, rented, or transferred to others without permission, 30,000,000 kip fine;
3. Spreading false information to discredit competitors, 20,000,000 kip fine;
4. Operating a postal service business beyond their business license and scope of permission, 15,000,000 kip fine;
5. Not reporting or incorrectly reporting statistical data, production quantities, and production costs, 10,000,000 kip fine per violation;
6. Extending a business license well behind schedule, a fine of double the amount of the service fee and charge rate for issuing a business license as defined in the President's Decree promulgated in each period.

Chapter 7

Final Provisions

Article 23 Implementation

The Ministry of Post and Telecommunications assigns the Postal Department in collaboration with concerned sectors to strictly implement this Decision.

Article 24 Effectiveness

This Decision is effective from the date of signature.

This Decision replaces the Regulation on Permission for Domestic Post and Parcel Business Operation No. 2297/MPT, dated 18 December 2012 and the Regulation on Permission for International Post and Parcel Business Operation No. 1807/MPT, dated 21 September 2012;

Any decisions and regulations that contradict to this Decision shall be canceled.

Minister

[Signature and seal]

Dr. Thansamay KOMMASITH