



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

President's Office

No. 63/PO

DECREE
of the
PRESIDENT
of the
LAO PEOPLE'S DEMOCRATIC REPUBLIC

On the Promulgation of the Law on State Assets

Pursuant to Chapter 5, Article 53, point 1 of the Constitution of the Lao People's Democratic Republic;

Pursuant to Resolution No. 72/NA, dated 12 October 2002, of the 2nd Ordinary Session of the fifth legislature of the National Assembly regarding the adoption of the Law on State Assets; and

Pursuant to Proposal No. 06/SC, dated 14 October 2002, of the National Assembly Standing Committee.

**The President of the Lao People's Democratic Republic
Decrees That:**

Article 1. The Law on State Assets is hereby promulgated.

Article 2. This decree shall enter into force on the date it is signed.

Vientiane, 15 October 2002

The President of the Lao People's
Democratic Republic

[Seal and Signature]

Khamtai SIPHANDON



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

No. 09/NA
12 October 2002

LAW ON STATE ASSETS

Chapter 1 General Provisions

Article 1. Function of the Law on State Assets

This Law on State Assets has the function to define the types [of State assets and to set out provisions for their] management, use, protection, and effective development in accordance with their purpose and objectives, and with laws and regulations, with the aim to contribute to national socio-economic development, including the protection of national resources and the environment.

Article 2. State Assets

A State asset refers to any property that exists in nature and/or¹ is created by mankind, ownership of which belongs to the nation, being movable and immovable assets that exist on the surface of the land, underground, on the surface of water, underwater, and in airspace, within the boundary of the Lao PDR, including the assets of the Lao PDR in foreign countries.

Article 3. Acquisition of State Assets

State assets that occur in nature [are]: land, islands, mountains, cliffs, forests, mines, water sources, wildlife, aquatic animals, and other natural resources as provided in the laws.

State assets created by mankind [are]:

1. Assets that are the national heritage and ancient items;
2. Assets derived from the State budget or from the collection of duties, taxes, fees and dividends, [assets derived] from exchanges, grants, transfers of ownership to the State, expropriation, [or] confiscation pursuant to a court decision, assets without owners,

¹ The Lao original includes both articles “and” and “or” separated by a slash.

and [assets under an] inheritance without heirs, including assets that the State acquires in any other way as provided in the laws.

Article 4. Ownership of State Assets

State assets of the Lao PDR are owned by the national community and are centrally and uniformly controlled by the State[;] the State designates organisations or individuals to manage, use, lease, or hold concessions in [such assets], and to protect and develop [them] in a sustainable [manner] according to the laws and regulations.

Article 5. Protection of Rights to Manage and Use State Assets

The State protects the legitimate rights of organisations or individuals who have been designated to manage and use State assets according to the laws and regulations.

**Chapter 2
Types of State Assets**

Article 6. Types of State Assets

State assets of the Lao PDR are divided into two types: public assets and government assets.

The State may define any type of State asset as a public asset or a government asset according to the requirements of use for each period in accordance with the laws and regulations.

Article 7. Public Assets

Public assets are State assets that have natural characteristics and State assets created by any organisation or individual for public use or for providing a service to the public, including assets belonging to the public in accordance with the laws and regulations.

Article 8. Government Assets

Government assets are State assets that are not in the list of public assets, including movable and immovable assets that the State designates organisations or individuals to manage and use.

**Chapter 3
Management and Use of State Assets**

Article 9. Management of State Assets

The government of the Lao PDR [exercises] centralised control over State assets in the country and overseas. The government designates

ministries, ministry-equivalent organisations, administrative authorities and organisations that use the State budget to manage and use [State assets].

The governments designates the Ministry of Finance as its representative to centrally manage [State assets], by making lists of, registering, and issuing regulations for the management and use of, State assets.

The government decides whether State assets shall be used, transferred, leased, given under a concession, contributed as a share or contributed as a joint investment. For high value or large-scale assets, there must be approval from the National Assembly as provided in the laws.

Article 10. Making Lists of State Assets

Ministries, ministry-equivalent organisations, local administrative authorities at all levels and organisations that use the State budget from the central to the local level must make a list of assets under their management and use, and then submit the list to be included in the list [maintained by] the financial sector² at their level in accordance with the laws and regulations.

Article 11. Registration of State Assets

Ministries, ministry-equivalent organisations, local administrative authorities at all levels and organisation that use the State budget from the central to the local level must bring the list of assets³ under their management and use to the centralised register at the financial sector at their level⁴ in accordance with the laws and regulations.

State assets that must be registered include: land, buildings, ancient items, equipment, vehicles and other assets with high value, details of which the government will determine.

In the event of an assignment-transfer of ownership from the private [sector] to the State, between State organisations or from the State to the private [sector], all the relevant parties must bring the contract of assignment-transfer of ownership and other related documents concerning the asset to register the assignment-transfer of ownership in accordance with the laws.

² The term “sector” is used in many Lao laws to refer to the cluster of government ministries or agencies engaged in a particular activity. Here, the reference is to a component unit within the Ministry of Finance.

³ This list is not necessarily the same list as the one referred to in Article 10. The context suggests that this list only contains assets that must be registered.

⁴ This is not necessarily a reference to the same sectoral agency referred to in Article 10. The translators understand that, at the time of this translation, there are two “sub-sectors” responsible for oversight of State assets. The State Asset Management Department is concerned with the comprehensive lists under Article 10. The Land Department or Land Development Authority under the Ministry of Finance is primarily concerned with the registration of major assets, such as land and equipment.

Article 12. The Contents of Registration

When registering a State asset, the following must be clearly indicated[:] the name and brand of the asset, its technical specifications, value, and [method of] acquisition, the purpose of use, and the beginning of the period of use[:] if it is land or houses, the location, characteristics and area must also be declared.

Article 13. Use of State Assets

State assets must be used in accordance with the purpose and objective of each type of State asset as follows:

Public assets must be used for the purpose of supporting the public. Organisations and individuals can receive the right to manage and use public assets through a lease or concession in accordance with the laws and regulations. It is prohibited to use public assets as goods, and [for such assets to be] private property⁵, to be seized or confiscated⁶. There is no limitation period for claims in respect of public assets.

Government assets must be used for the purpose of supporting activities in the administrative and technical field and for investment by the State[.] [One can] transfer the right to possess, the right to use, and ownership of [government assets. They] can be transformed into goods, can be seized, [and] can be confiscated[.] Claims in respect of public assets are subject to limitation periods, in accordance with the laws and regulations.⁷

Each type of State asset must be used in accordance with its purpose and objective, and used economically[:] it is prohibited to use State assets for personal benefit, except if otherwise provided in the laws and regulations.

Article 14. Changes in the Right to Possess and the Right to Use State Assets

An organisation or individual who has received the right to possess and the right to use State assets, including assets belonging to projects, that the government receives from domestic aid and from overseas must, after the project has ended or been completed, transfer all the assets to the State, [and in connection with such transfer]⁸, the Ministry of Finance, the finance

⁵ Readers may wish to refer to Article 2 of Property Law for the definition of private property.

⁶ The two terms translated as “seized” and “confiscated” in this law correspond to the terms described in more detail in the Penal Law as “confiscation of property” and “confiscation of items [connected to the offence]”, respectively. See Article 34 of the 2005 Amended Penal Law or Article 32 of the 1989 Penal Law (translations of both are available in this series).

⁷ For readability, the punctuation and structure of this paragraph (which is a single sentence in the Lao original) has been modified.

⁸ The phrase in brackets is the translators’ interpretation of the single Lao word “which”.

department or the finance office, together with related parties, shall inspect, estimate, make a list, transfer or take [such assets] back.

In the event that [State assets] have to be removed, renovated or rebuilt, there must first be an inspection and agreement from the related agencies, the Ministry of Finance, the finance department or the finance office. For materials that still have value after [such] removal or renovation, an auction sale must be announced and the proceeds [from such auction] shall be fully remitted to the State budget in accordance with the laws and regulations.

Chapter 4 **Maintenance⁹ and Development of State Assets**

Article 15. Maintenance of State Assets

An organisation or individual who has received the right to possess and the right to use State assets has [the following] obligations[:] to maintain [such assets] in, and to restore [them] to, good condition[:]; to ensure that the assets suffer no loss or damage¹⁰[:]; and to maintain the quantity and quality of such assets in accordance with appropriate technical standards.

If any State asset that is under the management and use of an organisation or individual is broken, devalued, cannot be used or is no longer required for use, then an auction sale must be organised, which must be agreed to by the administrative authorities and finance department at the level [of such organisation or individual].

In respect of assets that are discovered on the surface of the land, underground, on the surface of water [or] underwater, ownerless assets, confiscated assets, seized assets and assets that have been taken back, which are classified as State assets according to the Property Law and which are goods or materials prone to depreciation or breakage, the agency that decides to take [any such] asset back, the judgement enforcement agency or the agency that has the right to possess [any such] asset must make a list and estimate, and then conduct an urgent auction sale. All proceeds from the sale of State assets must be fully remitted to the State budget in accordance with the laws and regulations.

Article 16. Planning for Maintenance, Renovation and Repair of State Assets

An organisation or individual who has received the right to possess and the right to use State assets in the administrative and technical field has the

⁹ The same Lao word may be translated as “maintenance”, “preservation” or “protection”. In the context of State assets and the activities described in this chapter, the translators have chosen “maintenance” as the most appropriate word to use. However, readers may wish to bear in mind the other possible meanings intended.

¹⁰ The Lao word is a compound word: “loss-damage”.

duty to prepare a budget plan for the maintenance, renovation and repair of State assets under the management and use of its organisation, and then to submit [the plan] for approval by the authority at the level of [such organisation or individual] in order to incorporate [the expenditures] into its budget plan¹¹ in accordance with the laws and regulations.

Article 17. Development of State Assets

The State mobilises and promotes the development of State assets by issuing policies, regulations, instructions and measures as appropriate for the type and characteristics of each asset.

An organisation or individual who is using any State asset has the obligation to develop that asset to be in good condition, [and] to be fruitful and sustainable, with the aim of supporting the vital interests of the nation for a long period.

Article 18. Planning for Development of State Assets

An organisation or individual who has received the right to possess and the right to use State assets in the administrative and technical field has the duty to prepare a development plan to develop State assets that are under the management and use of its organisation, and then to submit [such plan] for approval by the authority at the level of [such organisation or individual], in order to incorporate [the expenditures] into its budget plan, in accordance with the laws and regulations.

Chapter 5

Inspection of the Management and Use of State Assets

Article 19. Organisations that Inspect the Management and Use of State Assets

Organisations that inspect the management and use of State assets include:

1. The Ministry of Finance, which the government assigns as its representative to conduct centralised and uniform inspection of the management and use of State assets throughout the country;
2. Ministries, ministry-equivalent organisations, local administrative authorities at all levels and organisations that use the State budget, which shall be the inspectors of the management and use of State assets that are under the management of their [respective] organisations.

Article 20. Rights and Duties of the Ministry of Finance

¹¹ I.e., of the authority.

The Ministry of Finance is the representative of the government and has the following rights and duties relating to the inspection of the management and use of State assets:

1. To research and study¹² regulations on the inspection of the management and use of State assets in order to propose to the government for consideration;
2. To inspect the assets list and the registry of State assets throughout the country;
3. To coordinate with other organisations and local administrative authorities regarding the inspection of the management and use of State assets;
4. To evaluate and report on the results of the inspection of the management and use of State assets to the government from time to time;
5. To build, train, and upgrade the technical expertise relating to the inspection of the management and use of State assets of officials and civil servants¹³ who work in the field of inspection;
6. To exercise such other rights and perform such other duties relating to the inspection of the management and use of State assets, in accordance with the laws and regulations.

Article 21. Rights and Duties of Ministries, Ministry-equivalent Organisations, Local Administrative Authorities at all Levels and Organisations that use the State Budget

Ministries, ministry-equivalent organisations, local administrative authorities at all levels and organisations that use the State budget have the following rights and duties relating to the inspection of the management and use of State assets:

1. To inspect the assets list and registry of State assets that are under the management and use of their [respective] organisations;
2. To conduct inspections of the management and use of those State assets that are managed and used by their [respective] organisations in accordance with the laws and regulations;
3. To exercise such other rights and perform such other duties relating to the inspection of the management and use of State assets, as stipulated in the laws.

Article 22. Inspection of the Management and Use of State Assets

The inspection of State assets is the monitoring of the management, use, maintenance and development of State assets by organisations or individuals who have received the right to possess and the right to use, in

¹² The phrase “research and study” is a compound word with the connotation of studying what others have done in order to draft one’s own regulations.

¹³ The Lao word is a compound word: “officials-civil servants” which includes high-ranking officials.

order to [ensure] compliance with the purpose and objectives [of the assets] and with the laws and regulations.

The organisation, individual or other parties subject to the inspection must fully cooperate with the State asset inspectors.

Article 23. Types of Inspection of State Assets

There are three types of inspection of State assets as follows:

1. A regular inspection;
2. An inspection following an advance notice;
3. An inspection without advance notice.

A regular inspection refers to an inspection which is carried out according to plans, on a regular basis and at a specified time.

An inspection following an advance notice refers to an inspection which is not performed according to plans, [but only] when deemed necessary and of which the person to be inspected is notified in advance.

An inspection without advance notice refers to an emergency inspection of which the person to be inspected is not notified in advance.

In performing inspections of State assets, the State asset inspector shall strictly comply with the laws and regulations.

Article 24. Contents¹⁴ of Inspection

The inspection of State assets shall cover the following main contents:

1. Implementation of laws and regulations, and of the purposes and objectives of the management and use of State assets;
2. Performance of obligations and other contents in contracts, including other documents for the management and use of State assets;
3. Implementation of plans relating to the maintenance, development and productivity of the management and use of State assets.

Chapter 6
Dispute Resolution, Policies¹⁵ towards Persons with High Achievement
and Measures¹⁶ Against Violators

Article 25. Dispute Resolution

¹⁴ “Contents” is used in the sense of “main points” to be covered during an inspection.

¹⁵ The term “policies” in this context takes the meaning of “privileges”.

¹⁶ The term “measures” in this context takes the meaning of “sanctions”.

There are two types of disputes regarding State assets: administrative disputes and civil or criminal disputes.

It is the duty of the finance sector, in coordination with administrative authorities and relevant agencies, to consider and resolve administrative disputes regarding State assets, such as: possession and use of State assets without approval, or not in accordance with their objectives or purposes, or with the laws and regulations.

It is the duty of the People's Courts to adjudicate, in accordance with laws and regulations, civil or criminal disputes relating to State assets, such as: breach of contract, falsifying or forging documents¹⁷ or embezzlement of State assets.

Article 26. Policies towards Persons with High Achievement

Organisations or individuals who properly manage and use State assets according to their objectives and purposes and according to laws and regulations, or that effectively maintain and develop State assets will receive awards or other policies, as determined by the government.

Article 27. Measures Against Violators

An organisation or individual who violates laws and regulations will be warned, re-educated¹⁸, or subject to civil liability or criminal punishment depending on the case.

In addition to the major penalties mentioned above, the violator may be subject to additional punishment, such as: suspension of business license, withdrawal of permission to use the State assets, [and] confiscation of vehicles and equipment used in the wrongdoing.

Article 28. Warning and Re-education Measures

An organisation or individual who has committed a minor violation of this law will be warned, re-educated or subject to an order to stop the violation[. Such minor violations include]: possessing [or] using State assets without permission [or not in accordance with laws and regulations], [and] inappropriate maintenance or development of State assets not in accordance with their purposes and objectives, or with laws and regulations, [in each case] where serious damage is not caused.¹⁹

¹⁷ The Lao word is a compound word: “falsify-forge”.

¹⁸ Here, “re-education” does not mean the same as “re-education without deprivation of liberty” referred to in the Penal Law.

¹⁹ For readability, the punctuation and structure of this paragraph (which is a single sentence in the Lao original) has been modified.

Article 29. Measures for Compensation of Damages

An organisation or individual who has damaged State assets by a breach of the laws and regulations shall be liable to compensate for such damage.

Article 30. Penal Measures

When an individual commits an offence relating to State assets such as: falsifying or forging documents, stealing, swindling, embezzling, destroying State assets, or exploiting or removing national resources not in accordance with the laws, the relevant official can seize or confiscate those assets in order to conduct the trial in accordance with the laws and regulations.

An official or State employee who discloses State secrets regarding State assets, will be disciplined or punished according to the laws. In the event that [the official or employee] commits an offence, [such person] shall be punished according to the seriousness of the case and shall be liable to compensate for the damage caused[. Such offences] include: abuse of power, abuse of authority,²⁰ taking bribes, collecting revenue without remitting it to the State treasury, in whatever manner for personal gain, thereby causing damage to the interests of the State, cooperatives or individuals.²¹

**Chapter 7
Final Provisions**

Article 31. Implementation

The government of the Lao PDR shall implement this law.

Article 32. Effectiveness

This law shall enter into force after sixty days from the date of the promulgating decree issued by the President of the Lao PDR.

All regulations and provisions that contravene this law are null and void.

Vientiane, 12 October 2002
President of the National Assembly

[Seal and Signature]
Samane VIGNAKET

²⁰ These offences are described in articles 153 and 154 of the 2005 Amended Penal Law and articles 142 and 143 of the 1989 Penal Law (translations of both these laws are available in this series).

²¹ The structure of the sentences in this paragraph has been changed rather substantially for readability. Also, the translators are unable to definitively resolve whether the two closing clauses in this sentence (“in whatever manner for personal gain” and “thereby causing damage to the interests of the State, cooperatives or individuals”) qualify all or just some of the enumerated offences. The context slightly favours the interpretation that the two clauses qualify all of the enumerated offences.