



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

President's Office

No. 36/PO

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

On the Promulgation of the Mining Law

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

Pursuant to Resolution No. 04-97/NA, dated 12 April 1997, of the 10th Session of the third legislature of the National Assembly regarding the adoption of the Mining Law; and

Pursuant to Proposal No. 17/SC, dated 7 May 1997, of the National Assembly Standing Committee.

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

Article 1. The Mining Law is hereby promulgated.

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

Vientiane, 31 May 1997

The President of the Lao People's
Democratic Republic

[Seal and Signature]

Nouhak PHOUMSAVANH



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

No. 04-97/NA
12 April 1997

MINING LAW

Chapter 1 General Provisions

Article 1. Function of the Mining Law

The Mining Law has the function to determine the system of management, preservation, exploration, exploitation and processing of minerals into goods for local consumption and export by using the potential of natural resources, in order to contribute to the industrialisation process and to improve the people's living conditions.

Article 2. Minerals

Minerals refer to non-renewable natural resources at specific locations, [and] are chemical and physical substances in the form of solids, liquids or gas, [such as]: gold, silver, copper, iron, precious stones, sand, construction soil, construction stones, coal, gas and natural oil, including mineral water, and water from natural warm and hot springs.

Article 3. Ownership of Mineral Resources

All mineral resources on the surface of the land, underground, or under water within the territory of the Lao PDR are the property of the national community and are under centralised and unified management by the State.

Article 4. Promotion, Preservation and Development of Mineral Resources

The State has policies to promote the efficient preservation and development of mineral resources by persons and organisations, both domestic and foreign.¹

Article 5. Environmental Protection

¹ For readability, the structure of this sentence has been modified.

Persons with the right to conduct mining² business shall adopt procedures and measures to limit loss of natural resources and adverse³ impact on the environment.

Article 6. Protection of the Rights and Interests of Persons Conducting Mining Business and the Interests of Local People

The State protects the rights and the interests of persons conducting mining business and the interests of the local people in compliance with the laws and regulations of the Lao PDR.

Article 7. Scope of Application of Law

This law applies to the management and exploitation of minerals, starting from prospecting [and] basic geological survey of natural resources to mineral extraction and processing of minerals in the Lao PDR, except for gas and natural oil which will be governed by separate regulations.

Chapter 2
Basic Geological Survey and Preservation of Mineral Resources

Article 8. Basic Geological Survey

Basic geological survey refers to the initial gathering of information on mineral outcrops and geological structures for the production of basic geological maps.

The government assigns the Ministry of Industry and Handicrafts⁴ to conduct nationwide basic geological surveys in coordination with the concerned⁵ agencies⁶ and local administrative authorities⁷.

² In Lao, “mineral” and “mining” are the same word.

³ The literal translation is “non-positive”. This word is sometimes translated as “negative”.

⁴ As of December 2006, the Ministry of Industry and Handicrafts has been re-organised into two ministries: the Ministry of Industry and Commerce and the Ministry of Energy and Mining.

⁵ The term “concerned” is used in the sense of “relevant”.

⁶ In the Lao language, the word roughly meaning “the entire organisation of responsible governmental agencies” is capable of being translated as any one of the following English words: “organisation”, “agency”, or “authority”. In choosing which English word to use, the translators have adopted the following convention. Where the governmental agencies in question have in practice adopted an English term for themselves (e.g., the Tax Authority), the translators have used that term. Otherwise, the translators have used the generic term “organisation” or, as in this law, “agency”.

⁷ The same Lao term may be translated as both “local administrations” and “local administrative authorities”. The translators have generally applied the following convention: (i) if the term is used in a sentence in juxtaposition to a reference to some specific agency within the line ministries, the term has been translated as “local administrations”, referring only to the bodies responsible for local administration discussed in the Law on Local Administration; and (ii) if the term is used alone in a sentence, it has been translated as “local administrative authorities” to indicate that it may be wide

Article 9. Categories of Minerals

To promote the development of the mining industry, the government has classified minerals into 4 categories as follows:

1. Metallic minerals;
2. Non-metallic minerals;
3. Combustible minerals;
4. Liquid minerals.

Metallic minerals include:

- Gold, silver, copper, zinc, iron, lead, tin and others⁸.

Non-metallic minerals include:

- Diamonds, rubies, emeralds, limestone, gravel, sand, gypsum, construction soil, construction stones and others.

Combustible minerals include:

- Coal, natural gas and natural oil.

Liquid minerals include:

- Mineral water, and water from natural warm and hot springs.

The government shall provide details on each category of minerals.

Article 10. Protected or Restricted Minerals

For efficient and sustainable use, the government will⁹ issue a periodic list of minerals that are protected or restricted from export [and] import, or export of which in the form of raw materials is limited.

Article 11. Safeguarding and Use of Information on Mineral Resources

Data and information¹⁰ on, and samples of, mineral resources must be safeguarded and used in conformity with specific regulations on minerals.

enough to cover local administrations as well as local divisions, offices or units of line ministries. However, readers should note the alternative meaning that may have been intended.

⁸ The term “and others” is a literal translation and is not subject to further specificity.

⁹ The word “will” has deliberately been used because the Lao text is ambiguous as to whether there is an obligation.

¹⁰ The Lao word is a compound word: “data-information”.

Persons [and]¹¹ organisations shall report to the concerned agencies any data and information on, [or]¹² samples of, mineral resources that have scientific significance or high value [or]¹³ are rare.

Persons [and] organisations are forbidden to illegally conceal, reduce the value of or trade¹⁴ in such samples, and only the State is entitled to purchase samples of [mineral resources] that have scientific significance or high value or that are rare.

The government establishes a list with the names and characteristics of the above samples of natural resources.

Article 12. Preservation of Sources of Mineral Resources

The government assigns the Ministry of Industry and Handicrafts to preserve sources of mineral resources nationwide in coordination with the concerned agencies by stipulating specific regulations.¹⁵

Chapter 3 Classification of Mineral Resource Areas

Article 13. Mineral Resource Areas

Mineral resource areas refer to areas where basic geological reconnaissance surveys have been conducted and where commercial mineral deposits have been identified for further detailed investigation.

There are four [kinds of] mineral resource areas:

1. Areas licensed for mining business;
2. Reserved areas;
3. Prohibited areas;
4. Poisonous areas.

Article 14. Areas Licensed for Mining Business

Areas licensed for mining business are mineral resource areas determined by the government as areas where mining business can be conducted.

¹¹ Here, the literal translation is “or”, but it is clear that the intended meaning is “and”.

¹² Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

¹³ Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

¹⁴ The literal translation is “buy-sell”.

¹⁵ I.e., the Ministry is empowered to stipulate regulations.

Article 15. Reserved Areas

Reserved areas are mineral resource areas designated for the extraction of a specific mineral.

Article 16. Prohibited Areas

Prohibited areas are mineral resource areas where mining business is forbidden [such as]: areas with cultural significance, protected forest areas, areas with importance for national defence and security, and others.

Article 17. Poisonous Areas

Poisonous areas are mineral resource areas containing poisonous substances or other poisonous minerals, which shall be notified by the Ministry of Industry and Handicrafts to the local administrative authorities for the application of safety and health measures for the population in coordination with the concerned agencies.

**Chapter 4
Mining Business¹⁶ Operations**

Article 18. Mining Exploitation

Mining exploitation refers to activities comprising prospecting, exploration, extraction, processing and trading in minerals.

Mining activities take place in the following two forms:

1. Mechanised mining business operations;
2. Mining activities using manual¹⁷ tools, [whether] as a profession or not.

Article 19. Mines

Mines are natural mineral reserves with economic importance and located on the surface of the land, underground or under water.

Article 20. Forms of Mechanised Mining Business Operations

Forms of mechanised mining business operations are divided into three scales, as follows:

¹⁶ In Lao, the same word may be translated as “business” or “commercial”. The translators have chosen “business” because in Laos, mining is often carried out with State involvement and may not therefore be strictly considered “commercial”. Readers should note that an alternative translation may have been “commercial mining operations”.

¹⁷ The literal translation is “handicraft tools”. In practice, this term refers to tools that are used manually, and are not mechanised.

1. Large-scale mining business operations;
2. Medium-scale mining business operations;
3. Small-scale mining business operations.

Each scale of mining operations shall be determined in detail by the government based on the capital involved, the type of minerals, [and the] area¹⁸ and volume of mineral reserves.

Article 21. Investment in Mining Operations

Investment in mining operations in the Lao PDR shall take the following forms:

1. Sole investment by the State;
2. Joint investment between the State and domestic or foreign parties;
3. Collective or private investment from domestic parties.

Article 22. Processes in Mining Business Operations

Processes in mining business operations include the stages of prospecting, exploration, exploitation, processing and trading in minerals.

Prospecting, exploration and exploitation shall be authorised specifically in areas where no other person has conducted mining activities for the same minerals.

Article 23. Methods of Mining Operations

Persons or organisations intending to conduct mining operations shall apply for licenses to conduct mineral prospecting and data gathering. When information is sufficient, exploration shall be authorised.

At the completion of exploration, if there is an intention to conduct exploitation, feasibility studies shall be required, economic cost-effectiveness computed, [and] environmental, ecological and social impacts assessed, to apply for the grant of a concession from the government.

Simultaneously with the grant of an exploitation concession, the government will¹⁹ jointly invest in the mining operations.

Mining operations licensees shall establish and register their enterprise in compliance with the laws of the Lao PDR.

¹⁸ The reference is to the size of the physical area covered by the mineral reserves.

¹⁹ The word “will” has deliberately been used because the Lao text is ambiguous as to whether there is an obligation.

Article 24. Mineral Prospecting

Mineral prospecting refers to field observations to determine the geological conditions of the area [and] mineral outcrops on the surface, in order to evaluate the quality of minerals distributed in nature.

Mineral prospecting shall require approval from the government.

The period of mineral prospecting shall not exceed two years, but may be extended two times, each time for no more than one year as approved by the government.

Article 25. Mineral Exploration

Mineral exploration refers to geological and geophysical studies within a determined area to acquire further detailed data on the geology and geological structures [in that area] through testing, trenching, exploration, drilling, analysis of the physical and chemical features of the minerals and assessment of [their] economic potential.

Mineral exploration shall require approval from the government.

The period of mineral exploration shall not exceed three years, but may be extended two times, each time for no more than two years as approved by the government.

Article 26. Assessment of Mineral Reserves

The assessment of mineral reserves refers to the evaluation of the scope and volume of each type of explored mineral reserves.

Article 27. Testing and Analysis of Samples

Mining operation licensees are entitled to send mineral samples and other items relating to minerals for testing and analysis, whether within or outside the country, in accordance with the regulations stipulated by the government.

Article 28. Relinquishing and Adding to Areas

After prospecting and exploration, the licensee shall relinquish, in whole or in part, the area that [it no longer] desires for prospecting or exploration, together with all data acquired from such prospecting or exploration.

If, based on the data collected, it is discovered that a mineral vein extends beyond the licensed area, the licensee is entitled to apply for such [extended] area to be added [to its license].

Article 29. Evaluation of Feasibility of Exploitation

Evaluation of the feasibility of exploitation refers to the evaluation of the socio-economic potential of the mineral reserves and the existence and scope²⁰ of any adverse impact on the environment.

Article 30. Feasibility Studies

The feasibility study for [obtaining] a license to conduct mining operations shall include the following main contents:

1. Plans and processes for mineral exploitation [such as]: technical exploitation system, exploitation volume;
2. Socio-economic effectiveness of mineral exploitation.

The timeframe for making the feasibility study shall not exceed one year but may be extended for no more than one year as approved by the government.

Article 31. Environmental Impact Assessment

Simultaneously with the feasibility study, investors shall undertake an environmental impact assessment which shall comprise the following main contents:

1. Projection of environmental impact in each case, together with proposals of methods and measures for solving or mitigating any adverse impact on the environment, ecology and society;
2. An estimate of the damage and [costs of] population resettlement, including assistance in upgrading the living conditions of the population affected by the mineral exploitation's impacts [such as]: provision of adequate settlements and livelihood.

Article 32. Criteria for Persons to Receive Mining Concessions

Persons applying for a mining concession shall meet the following criteria:

1. Financial and technical capacity;
2. Good and trustworthy background in mining business;
3. [The proposed] mining concession is efficient, complies with the national socio-economic development plan and does not create severe adverse impacts to the environment.

Where an applicant for a concession meets all the criteria, the government shall consider granting a mining concession.

²⁰ The literal translation is “whether and scope of adverse impact”.

Article 33. Mineral Exploitation

Mineral exploitation refers to clearing, extraction, removal, washing²¹, grinding, selection and storage of minerals.

The period of an exploitation concession shall not exceed thirty years from the grant of the concession, but may be extended two times, each time for no more than ten years as approved by the government on a case by case basis and based on the amount²² of the minerals.

Article 34. Handover of Mining Enterprises

At the expiration of the mineral exploitation concession, the mining business operator shall hand over the mining enterprise in full, including vehicles and equipment constituting the assets of such mining business, to the government of the Lao PDR without any compensation, unless the government refuses to accept them.

Article 35. Mining Activities Using Manual Tools, [whether] as a Profession or Not

“Mining activities using manual tools”²³ refers to mineral exploitation using archaic tools as a profession.²⁴

Persons who conduct mining activities using manual tools as a profession shall be Lao citizens and shall conduct the mining activities with their own funds.

Mining activities using manual tools as a profession shall require approval from the industry and handicrafts divisions at the provincial, municipal or special zone level²⁵, which shall report to the Ministry of Industry and Handicrafts.

In the event that mining activities using manual tools as a profession includes the use of machines or the employment of labour, such exploitation shall be considered as mechanised mining business operations.

²¹ Readers should note that the Lao word here is simply “washing” and is not the more comprehensive word used in Article 36, which has been translated as “separating”.

²² The literal translation is “size” or “scale”.

²³ The quotation marks have been added and are not in the original text.

²⁴ The translators are aware that this defined term is later used as if the qualification “as a profession” is not included in the definition.

²⁵ Readers should note that the organisation of local administration has undergone change over time and that the administrative divisions and titles used in this older law do not conform to those used in newer laws such as the Law on Local Administration.

“Mining activities using manual tools not as a profession”²⁶ refers to occasional exploitation.

Mining activities using manual tools not as a profession shall require approval from industry and handicrafts offices at the district level, which shall report to the industry and handicrafts divisions at the provincial, municipal or special zone levels.

Article 36. Processing of Minerals

Processing of minerals refers to upgrading the quality of minerals through industrial methods, or by additional processes such as separating²⁷, melting, transforming, cutting, polishing²⁸ and processing, to add economic value.

Processing to upgrade the quality of minerals shall require specific approval from concerned agencies.

Article 37. Trading in Aggregate²⁹ and Minerals

Mining business operators shall be entitled to sell extracted aggregate and minerals, provided that they obtain aggregate and mineral trading approvals. Persons operating solely in the trading of aggregate and minerals shall require specific aggregate and mineral trading licenses.

Aggregate in this law refers to minerals that have been separated, ground, selected and processed.

Chapter 5 Rights and Obligations of Mining Business Operators

Article 38. Rights and Obligations of Mining Business Operators

A mining business operator shall have the following rights:

1. To be protected under the laws;
2. To exclusively conduct mining business in accordance with approved processes within the licensed area;
3. To receive priority in conducting further mining activities, based on the assessment performed by the mining business

²⁶ The quotation marks have been added and are not in the original text.

²⁷ The Lao word is a single word with the connotation of sorting, screening, separating and washing minerals after extraction.

²⁸ The Lao word is a single word with both the connotations of cutting and polishing – i.e., lapidary activities.

²⁹ The Lao word is a collective term for stones, gravel and sand.

- administration and inspection³⁰ agency³¹ and approval from the government;
4. To own assets and returns from mining activities as provided by contract;
 5. To receive technical and technological recommendations from the government on the conduct of mining business;
 6. To apply for the extension of the mining license;
 7. To build structures and install equipment to conduct mining activities in compliance with the regulations stipulated by the concerned sectors³².

Person conducting mining activities using manual tools as a profession shall be entitled to [bequeath by] inheritance their operations to members of their families, but cannot transfer such operations to other persons.

Article 39. Scope of Rights of Persons Conducting Mining Business

A person conducting mining business shall be entitled to transfer his rights or to [bequeath by] inheritance the mining business as approved by the government, except if such mining business is in the stage of prospecting.

Article 40. Rights in the Mining Business Area³³

In conducting mining business, the licensee shall be entitled to lease land from the government based on contracts, [and to] enter into contracts for the supply of electricity and water to process the minerals, provided that such water is treated and the discharge of waste water is [carried out in a manner that] ensures the health of the population and the environment. For certain types of minerals containing poisonous substances, the State will declare specific mining areas.³⁴

The use of wood in mining business areas shall require approval and compensation for such wood.

In the event that a mining business area covers land, construction, crops and others belonging to persons or organisations, the licensee shall make

³⁰ In the Lao language, the same word is used to represent all of the following related (but slightly different) concepts: “control”, “inspection”, “supervision”, “audit” and “monitoring”. The translators have chosen “inspection” (and its variants) as the most appropriate English equivalent but readers should note and bear in mind the other meanings that might have been intended.

³¹ See footnote 6.

³² The term “sector” is used in many Lao laws to refer to the cluster of government ministries or agencies engaged in a particular activity.

³³ This refers to the area where mining business is carried out.

³⁴ The translators are aware that this sentence deals with matters that do not appear to be related to the matters covered in the rest of the paragraph.

appropriate compensation for their removal and [for any] damage [caused to them].

Article 41. Priority in Mining Business Area

In the event that a mining concessionaire³⁵ discovers other minerals in the mining business area in addition to the authorised minerals, such concessionaire shall have priority in applying for an additional mining business license from the government in relation to the discovered minerals, except if such minerals belong in the category of reserved or prohibited minerals.

Article 42. Obligations of Mining Business Operators

A mining business operator shall have the following obligations:

1. To conduct mining business in compliance with any or all³⁶ [authorised] processes and within the authorised timeframe;
2. To deposit a guarantee with the Bank of the Lao PDR, in accordance with regulations;
3. To conduct its mining business as licensed, based on its feasibility study and mineral exploitation plan;
4. To protect and restore the environment during exploitation and after the end of exploitation, in order to ensure that there is no severe adverse impact to national security and the public, and to make appropriate compensation in the event that the lives and assets of people [or]³⁷ public assets³⁸ are affected;
5. To record and report the results of its mining business at each stage, including expenses at each stage, in detail and within the timeframe;
6. To ensure training and development of skills for Lao workers, including to ensure their welfare, health and security;
7. To keep accounts as provided by the Enterprise Accounting Law;
8. To properly and completely perform customs, tax and other obligations relating to mining business within the timeframe;
9. In the event that roads are constructed for mining business, such roads shall be open for use by others;
10. To strictly abide by the laws and regulations of the Lao PDR.

Persons conducting mining activities using manual tools, [whether] as a profession or not, shall have the obligation to pay custom duties and taxes in

³⁵ Literally, “the person who has received a concession to operate mining business”. Here, there is a specific reference to “a concession” whereas in other provisions, translated as “mining business operators”, there is no reference to the concession.

³⁶ This is a literal translation.

³⁷ Here, the literal translation is “and”, but it is clear that the disjunctive “or” meaning is intended.

³⁸ The literal translation is “life and assets of the people and the public”.

compliance with regulations, and the obligation to protect the environment and to strictly abide by the laws and regulations of the Lao PDR.

Article 43. Relationship with Local Administrative Authorities

At every stage of conducting mining business, mining operators shall contact the local administrative authorities in their area for facilitation in the conduct of mining business.

Article 44. Termination of Mining Business

Mining business shall terminate under the following conditions:

1. Expiration of the term of the mining business at any stage³⁹;
2. Voluntary termination of the mining business before the [expiration of the] term;
3. Withdrawal of mining license due to severe breach of contract or [severe violation of] the laws and regulations of the Lao PDR.

Article 45. Technical and Technological Standards

In the performance of mining business, the mining concessionaire shall apply techniques and use technologies with international standards recognised by the Ministry of Industry and Handicrafts and other concerned agencies, with a view to ensuring efficiency, safety and environmental protection.

Article 46. Relinquishing and Restoring the Exploitation Area

A mining concessionaire shall relinquish the mining area to the government, including leased land, in the following cases:

1. The use of such land is no longer required;
2. Withdrawal of mining license due to the non-performance of contracts or severe violations of the laws and regulations of the Lao PDR;
3. Expiration of the term of the mining license.

The concerned agencies shall be notified in advance, in accordance with the determined timeframe, when a mining area is to be relinquished.⁴⁰

If changes have been made to the ground, then prior to relinquishing such area, it shall be restored and rehabilitated, [such as]: filled, levelled, cleaned up [to remove] chemical substances and planted with trees in compensation.

³⁹ The literal translation is “at any or all stages”. This refers to the fact that a license may be given for one or more stages of exploitation.

⁴⁰ For readability, the structure of this sentence has been modified.

Article 47. Compensation Fund

Mining operators shall set aside a fund for necessary expenses, as follows:

1. For the resettlement of the population from the mining area, and for finding a place where the population can be resettled and where they can practice their [means of] livelihood;
2. Compensation for damage to land, construction and crops;
3. Rental of land;
4. Environmental protection;
5. Restoration and rehabilitation of the mining area.

Such funds shall be included in the capital of the mining project.

Chapter 6
Administration and Inspection Agencies
for Mining Business Operations

Article 48. Administration and Inspection Agencies for Mining Business Operations

Administration and inspection agencies for mining business operations include:

1. The Ministry of Industry and Handicrafts;
2. Industry and handicrafts divisions at the provincial, municipal or special zone level;
3. Industry and handicrafts offices at the district level;
4. Village administrations.

Article 49. Rights and Duties of the Ministry of Industry and Handicrafts

In the administration and inspection of mining business operations, the Ministry of Industry and Handicrafts has the following rights and duties:

1. To act as the secretariat of the government in elaborating strategic plans pertaining to minerals into detailed programmes and projects and into regulations for the administration and inspection of mining business operations;
2. To conduct scientific and technical research on geology and mining; to establish a network of national statistics and information centres relating to geology and mining;
3. To coordinate with other parties and with concerned local administrative authorities;
4. To study and present technical opinions on mining business;
5. To issue prospecting, exploration, exploitation or mineral processing licenses to persons who have received investment licenses from the government;

6. To train⁴¹ and upgrade geological-mining skills among Lao personnel and workers;
7. To grant technical approval for the export or import of minerals in compliance with the regulations of the concerned ministries;
8. To control geological-mining activities;
9. To cooperate with foreign countries in geological-mining activities.

Article 50. Rights and Duties of the Industry and Handicrafts Divisions

In the administration and inspection of mining business operations, the industry and handicrafts divisions at the provincial, municipal and special zone levels have the following rights and duties:

1. To act as the direct secretariat of the Ministry of Industry and Handicrafts and of the provincial, municipal or special zone administrations⁴² in guiding and administering mining business operations within the scope of their responsibilities;
2. To coordinate with other sectors and concerned administrative authorities;
3. To study and present opinions on mining business within their area of administration;
4. To issue licenses to, and register, persons conducting mining activities using manual tools as a profession;
5. To inspect mining businesses within their area of administration;
6. To exercise such other rights and perform such other duties pertaining to mining business as assigned by the Ministry of Industry and Handicrafts.

Article 51. Rights and Duties of the District Industry and Handicrafts Offices

In the administration and inspection of mining business operations, the industry and handicrafts offices at the district level have the following rights and duties:

1. To act as the secretariat of the industry and handicrafts divisions at the provincial, municipal or special zone levels and of the district administrations⁴³ in the implementation of the plans, programmes, regulations and instructions pertaining to mining business of the industry and handicrafts divisions at the provincial, municipal or special zone levels;
2. To coordinate with other sectors and concerned administrative authorities;

⁴¹ This is a translation of two Lao words, the first referring to full professional training and the second referring to part-time or ad hoc training in specific skills, such as adult education or continuing education.

⁴² See footnote 7. Here, the reference is to the local administration.

⁴³ See footnote 7. Here, the reference is to the local administration.

3. To authorise and inspect persons conducting mining activities using manual tools not as a profession within their districts;
4. To facilitate mining operators, in accordance with the laws and regulations;
5. To exercise such other rights and perform such other duties pertaining to mining business as assigned by the industry and handicrafts divisions.

Article 52. Rights and Duties of the Village Administrations

In monitoring and inspecting mining business operations, the village administrations have the following rights and duties:

1. To monitor and inspect mining activities using manual tools, whether as a profession or not, within the village area;
2. To comment and report on mining activities affecting the rights and interests of the population, fine traditions⁴⁴ and laws and regulations;
3. To preserve and report mineral outcrops within the village area to the industry and handicrafts offices at the district level and to the district administrations;
4. To facilitate mining operations within the village area;
5. To coordinate with mining parties⁴⁵ in the preservation of order within the village area;
6. To inspect the performance of the obligations of persons conducting mining activities using manual tools, [whether] as a profession or not.

Article 53. Inspection of Mining Business Operations

The inspection of mining business operations refers to the monitoring of mining activities throughout the stages of prospecting, exploration, exploitation, processing, [and] trading, including after the termination of mining activities, to ensure the proper implementation by mining operators of contracts, this Mining Law and other laws and regulations of the Lao PDR.

The main contents of inspections shall include:

1. Implementation of mining processes;
2. Performance within the timeframe;
3. Implementation of feasibility studies;
4. Implementation of plans;
5. Implementation of occupational safety measures;
6. Implementation of environmental impact mitigation measures;
7. Necessary documents for the management of mining business operations;

⁴⁴ The Lao term connotes both customs and traditions.

⁴⁵ This term is more general than the terms translated as “mining business operator” and “mining concessionaire”. It is intended to refer to all persons involved in mining.

8. Assets of the mining project;
9. Implementation of obligations and other regulations pertaining to mining business.

The inspection of mining business operations shall be coordinated with concerned agencies and the local administrative authorities.

Article 54. Methods of Inspection of Mining Business Operations

The inspection of mining business operations may be conducted by several methods, as follows: a system of regular inspections, inspections by advance notice, or surprise inspections⁴⁶.

Regular inspections refers to inspections performed regularly and at fixed times, which shall be at least once a year.

Inspections by advance notice refers to inspections deemed necessary, where the mining operator is given advance notification.

Surprise inspections refers to inspections performed without giving any advance notification.

Inspections may include both documentary inspection and field inspection.

Chapter 7

Dispute Settlement, Policies towards Persons with High Achievement and Measures against Violators⁴⁷

Article 55. Dispute Settlement

When disputes occur between mining contract parties, an amicable settlement shall be sought. Otherwise, the contract parties may submit the matter in dispute to the Office of Economic Dispute Resolution or the people's courts of the Lao PDR for further proceedings.

In the case of disputes between employers and employees, the Labour Law of the Lao PDR shall apply.

In the case of disputes between foreign investors or between a foreign investor and a Lao investor, Article 21 of the Law on the Promotion and Management of Foreign Investment in the Lao PDR⁴⁸ shall apply.

⁴⁶ The Lao word also connotes inspection in emergency cases.

⁴⁷ In this context, the term “policies” takes the meaning of “privileges” and the term “measures” takes the meaning of “sanctions”.

⁴⁸ This is a reference to an older law. The current law is titled “The Law on the Promotion of Foreign Investment in the Lao PDR” and the article reference is no longer be accurate.

Article 56. Policies towards Persons with High Achievement

Persons or organisations with outstanding performance in the management [and] preservation of mineral resources with efficiency and in compliance with the laws of the Lao PDR will receive awards and be granted policies as specified by the government: credit policy⁴⁹, extension of mining license and others.

Article 57. Measures

Persons or organisations breaching this law shall be subject to measures such as re-education, fines or criminal penalties depending on the nature of the offence⁵⁰. Furthermore, an additional penalty may be imposed.

Article 58. Re-Education⁵¹ Measures

Persons or organisations committing minor or first offences under this law, such as[:] failing to make reports or making reports outside the [authorised] timeframe, failing to meet technical requirements in operations, failing to obtain permission⁵² for the conduct of mining activities using manual tools, [whether] as a profession or not, shall be warned and re-educated.

Article 59. Fines

Persons or organisations breaching this Mining Law by committing any of the following acts:

1. Conducting mining business without a license or with an expired license;
2. Illegally trading in minerals;
3. Leasing, transferring or allowing the use⁵³ by another person of [one's] mining license, in contravention of regulations;
4. Making untruthful reports;
5. Breaching mining exploitation principles;

⁴⁹ The term “credit” is used here in the sense of loans, and “policy” is used here in the sense of “privileges”.

⁵⁰ The term “offence” is used here, as in the Penal Law, to refer generally to criminal acts. There are three levels of such criminal acts as set out in Article 8 of the 2005 Amended Penal Law and Article 7 of the 1989 Penal (translations of both these laws are available in this series).

⁵¹ Here, “re-education” does not mean the same as “re-education without deprivation of liberty” referred to in the Penal Law.

⁵² The term “permission” is used here as a general word that includes both the more formal license given to persons conducting mining activities using manual tools as a profession (see Article 50(4)) as well as the more informal authorisation for the conduct of such activities not as a profession (see Article 51((3)).

⁵³ For readability, the order of the verbs has been re-arranged.

6. Failing to apply environmental impact mitigation measures, discharging waste water and water containing poisonous substances affecting the population's health;
7. Failing to apply technical and labour safety measures;
8. Causing damage to mineral sources due to their own fault;
9. Failing to extend cooperation to administration and inspection officers;
 - Shall be fined from Kip five hundred thousand to Kip three million in the case of a first offence;
 - From Kip three million one hundred thousand to Kip five million in the case of a second offence;
 - From Kip five million and one hundred thousand to Kip ten million in the case of a third offence.

If any of the offences mentioned in Article 58 above is committed three times or more, [the offender] shall be fined from Kip fifty thousand to Kip two hundred thousand.

In the case of mining activities using manual tools, [whether] as a profession or not, fines from Kip ten thousand to Kip twenty thousand shall be imposed.⁵⁴

Article 60. Penal Measures

In the case where a violation of this Mining Law constitutes an offence [such as]: falsification of mining licenses, [or] failure to apply technical safety measures causing death or injury, [such offence] shall be punished as provided in the Penal Law.

Civil servants committing offences [such as]: receiving bribes, abuse of power, forging documents, [or] abusing their duty [to obtain] personal gain from mining business operations, shall be punished as provided in the Penal Law.

Article 61. Additional Measures

Apart from the measures mentioned above in Articles 59 and 60, additional sanctions may be imposed on the offender [such as]: suspension of mining business operations, withdrawal of license, [and] confiscation of the offender's vehicles and equipment.

⁵⁴ It is likely that this paragraph, like the one immediately preceding it, refers to the repeated commission of minor offences rather than to the commission of the offences set out in this article 59, but this is not clear from the text.

Chapter 8
Final Provisions

Article 62. Implementation

The government of the Lao People's Democratic Republic shall implement this law.

Article 63. Effectiveness

This law shall enter into force after ninety days from the date of the promulgating decree issued by the President of the Lao People's Democratic Republic.

Persons and organisations that have received mining licenses prior to the date this law comes into force shall be entitled to continue their mining business operations.

In the event that contracts have been signed that are not in conformity with this law, the concerned agencies shall be notified within one hundred and twenty days from the date this law comes into force, in order to deal with the matter.

All regulations and provisions that conflict with this law are null and void.

Vientiane, 12 April 1997
President of the National Assembly

[Seal and Signature]

Samane VIGNAKET