



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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National Assembly

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## **Surface Transportation Law**

### **Chapter I General Provisions**

#### *Article 1. Function of the Surface Transportation Law*

The Surface Transportation Law has the function of determining a regime for the administration, organization, operations, transportation of goods, transportation of passengers domestically, internationally, and trans-boundary transportation in order to efficiently and safely expand travel and traffic and distribution of goods. Using the country's potential in respect of its geographical location as central to countries in the region to contribute to socio-economic development and international cooperation.

#### *Article 2. Meaning of Surface Transportation*

Surface transportation is the transport of goods, transport of passengers, the transport of materials and commodities, or animals via roads by means of various types of vehicles and motorized mechanisms, including tractors followed by a man trailing a cart carrying goods, passengers, and animals, three wheeled vehicles to include all sizes of automobiles, including different types of haulage vehicles.

Rudimentary traditional transportation is excluded from this Law.

#### *Article 3. Promotion of Surface Transportation*

The State has policies of promoting organizations and individuals in carrying out surface transportation tasks to serve the transport of goods, passengers and materials and commodities both domestically and internationally and trans-boundary transportation.

*Article 4. Obligations in Surface Transportation*

In surface transportation, the transporter has the obligation to maintain security, order, protect the roads, the natural environment and the public. In addition to this, transporters must fulfill other obligations regarding transportation under regulations and laws.

Passengers, particularly those who ride in transportation vehicles, those who ride in personal vehicles, owners of the goods and commodities, and those who deliver goods, all have the duty to contribute to the fulfillment of the above mentioned obligations.

*Article 5. Scope of Application of the Law*

The Surface Transportation Law applies to enterprises undertaking goods and passenger transport, including specialized transport and personal transport by means of all sizes of mechanized vehicles, including all types of haulage vehicles in the Lao People's Democratic Republic, inter-nation, and trans-boundary, with the exception of transportation by train, pipe, and official transportation, all of which will have separate specific provisions.

## **Chapter II**

### **General Rules for the Management of Surface Transportation**

*Article 6. General Rules*

General rules for the management of surface transportation are provisions outlined to guarantee the security of passengers, and to protect against loss of goods and materials and for them to reach their destination on time.

*Article 7. Types of Surface Transportation*

There are three types of surface transportation in the Lao People's Democratic Republic as follows:

- Transportation enterprises;
- Specialized transportation;
- Personal transportation.

A transportation enterprise is a service providing domestic and international transport or trans-boundary transport.

Specialized transportation is the transport of goods, materials and commodities, animals or people for internal use of an enterprise or for one's self.

Personal transportation is the transport of materials and commodities, people or animals to serve personal needs that is not general transport for hire or specialized transport.

Transportation enterprises are divided into two kinds as follows:

- Transport of goods, materials and commodities or animals;
- Transport of passengers.

Specialized and personal transportation is divided into two types as follows:

- Transport of materials and commodities, goods or animals;
- Transport of people

*Article 8. Scope of Surface Transportation*

The scope of surface transportation in the Lao People's Democratic Republic is a scope of traffic that provides that transportation vehicles are to carry out transport divided into two scopes as follows:

- Scope of domestic transport;
- Scope of international or trans-boundary transport.

The scope of domestic transport is transportation within urban area, intra and inter provincial transport.

Scope of international transport is the transportation from the Lao People's Democratic Republic to abroad or from abroad to the Lao People's Democratic Republic.

The scope of trans-boundary transportation is transportation from the Lao People's Democratic Republic through any country to a third country or transportation from any country through the Lao People's Democratic Republic to a third country.

*Article 9. Size of the Transportation Vehicles*

Transportation vehicles are divided into three sizes as follows:

- Small transportation vehicles;
- Medium sized transportation vehicles;
- Large transportation vehicles.

Small goods, materials and commodities transportation vehicles are transportation vehicles with an authorized load including the weight of an empty vehicle not exceeding seven tons.

Medium sized goods, materials and commodities transportation vehicles are transportation vehicles of all sizes including all types of haulage vehicles having with an authorized load including the weight of an empty vehicle of more than seven tons up to fifteen tons.

Large sized goods, materials and commodities transportation vehicles are transportation vehicles of all sizes including all types of haulage vehicles having with an authorized load including the weight of an empty vehicle of more than fifteen tons.

Small sized passenger or people transportation vehicles are transportation vehicles with a passenger or people transporting capacity of two to seven seats.

Medium sized passenger or people transportation vehicles are transportation vehicles with a passenger or people transporting capacity of more than seven seats up to thirty-five seats.

Large passenger or people transportation vehicles are transportation vehicles with a passenger or people transporting capacity of more than thirty-five seats.

The Ministry of Communication, Transportation, Posts, and Construction is the entity that outlines system to administer the above mentioned transportation vehicle regime including the maximum authorized weight for large sized transportation vehicles.

*Article 10. Conditions for being a Transportation Vehicle Driver*

The driver of a goods and passenger transportation vehicle must meet the following conditions:

- Hold a proper driver's license;
- Be in good health;
- Strictly adhere to traffic regulations;
- Drive vehicles not in excess of time periods provided by regulation;
- Not drive while intoxicated and not be addicted to narcotics.

*Article 11. Technical Inspections*

All transportation vehicles must have received technical inspection according to strict time periods at technical inspection stations determined by the Ministry of Communication, Transportation, Posts, and Construction.

*Article 12. Standards and Conditions for Garages*

In order to guarantee technicalness of transportation vehicles, the Ministry of Communication, Transportation, Posts, and Construction will issue provisions in respect of standards and conditions for garages.

### **Chapter III**

#### **Transportation Enterprises, Specialized Transportation and Personal Transportation**

*Article 13. Request to Operate a Transportation Enterprise*

Requests to operate enterprises for domestic, international, and trans-boundary transport of goods and passengers are to adhere to Articles 16, 17, 18 and 19 of the Business Law. Foreign investments are to adhere to Articles 23, 24, 25, and 26 of the Law on the Promotion and Management of Foreign Investment in the Lao People's Democratic Republic.

*Article 14. Conditions of those who will receive Approval to Operate Transportation Enterprises*

Persons or organizations who will be authorized to establish and register transportation enterprises must fulfill the following conditions:

- Have ability in the transportation profession;
- Have financial ability;
- Be honest toward the transportation profession;

Additionally, the applicant must still fulfill other conditions as provided for in the Business Law.

*Article 15. Transportation Enterprise Registrations*

Goods and passengers transport enterprise registrations cannot be used, leased or transferred to others.

*Article 16. Conditions for Vehicle to be used in Transportation Enterprises and Specialized Transportation*

Vehicles to be used in transportation enterprises and specialized transportation must comprise of the following primary conditions:

- Have been registered as a transportation vehicle;
- Have a registered license plate;
- Be in compliance with transportation technically;
- Hold the relevant insurance;
- Have paid annual road usage fees;
- Have had technical inspection as required by rules and regulations.

For detailed conditions in respect of vehicles to be used in transportation enterprises, the Ministry of Communication, Transportation, Posts, and Construction will determine such.

*Article 17. Insurance for Transportation Vehicles*

Goods and passengers transportation vehicles of all sizes, vehicles for specialized and personal transport, including various types of haulage vehicles within the country must be insured, particularly third party insurance. As for vehicle used for international or trans-boundary transportation, in addition to third party insurance, must hold insurance covering the driver and goods transported as well.

*Article 18. Vehicle Operation Permit*

Vehicle operation permits are permits issued to a vehicle operating transportation enterprises according to type, technical standard, and scope of transport as determined by the Communication, Transportation, Posts, and Construction Division.

Vehicle used in specialized transport to serve one's enterprise or activities similarly must hold a vehicle operation permit.

In case of a modification of technical standards or there is a change to the scope of transport of a vehicle, a new vehicle operation permit must be requested.

*Article 19. Bill of Lading*

In operating a goods transportation enterprise, the transporter must provide a bill of lading according to the form issued by the Ministry of Communication, Transportation, Posts, and Construction, which must accompany the vehicle on each trip.

Specialized transport to serve one's business or activity must similarly have a bill of lading accompanying the vehicle on each trip.

*Article 20.      Transportation Vehicle Stations*

Enterprises transporting goods and passenger transportation vehicles must enter and park and exit from stations or transportation vehicle parking in respect of which the Ministry of Communication, Transportation, Posts, and Construction will determine technical construction standards.

Transportation vehicle stations may be divided into two types as follows:

- Stations for goods transportation vehicles;
- Stations for passenger transportation vehicles.

In necessary cases, animal transportation stations will be established.

*Article 21.      Transportation Contracts*

Goods and passenger transport enterprises operate according to written, verbal, or implied contracts.

A goods transportation enterprise contract is an agreement made between the enterprise operator and the owner of goods in respect of the movement of goods from one point to another for which the enterprise operator has the obligation to take goods to their destination without losing or damaging such and ensuring the quality of such and the owner of the goods must pay transportation expenses to the goods transporter as agreed.

A passenger transportation enterprise contract is an agreement between the transportation enterprise operator and the passenger regarding the travel from one point to another in respect of which the transportation enterprise operator has the obligation to safely transport passengers, ensuring that passengers' belongings will not be lost or damaged while also facilitating passengers and passengers must pay travel fares to the transportation enterprise operator as agreed.

*Article 22.      Primary Contents of Goods Transportation Contract*

Goods transportation contract has the following primary contents:

- Type of goods, including the quantity, volume, and weight;
- Place of dispatch and destination where the goods will be received;
- Means of service which means packaging, storage, loading, unloading;
- Goods transportation charges;
- Insurance;
- Means of settling transportation charges.

International and trans-boundary goods transportation contracts are to be implemented in accordance with international transportation agreements.

Goods transportation service providers and owners of goods must completely fulfill the contract.

*Article 23. Transport of Dangerous Materials*

The transport of dangerous materials: chemical materials, flammable materials, explosive materials, whether by a transportation enterprise, specialized transport or personal transport, must have received approval from the Ministry of Communication, Transportation, Posts, and Construction based upon coordination with relevant parties and must strictly adhere to regulations regarding the transport of dangerous materials.

*Article 24. Responsibility of the Transporter*

In a goods transport enterprise, the transporter has the responsibility to compensate for damages if such goods do not timely reach their destination causing the owner of the goods to suffer damages, the goods to lose their value or to become lost, due to the fault of the transporter.

In transporting passengers, the transporter has the responsibility to compensate for damages if in the transport of passengers, the transporting vehicle fails to reach its destination, passengers do not receive security or passengers' belongings become lost or are damaged due to the fault of the transporter.

In addition, the transporter may be held criminally liable in the case of a criminal offense.

**Chapter IV**  
**International and Trans-boundary Transport**

*Article 25. International and Trans-boundary Transport*

In international and trans-boundary transport, the Government will adhere to contracts signed with foreign parties and shall authorize transportation over its territory while also facilitating, and providing necessary guarantees according to treaties and international contracts in which it participates.

International and trans-boundary transport may or may not involve loading or unloading according to Government agreement.

Foreign transport over the territory of the Lao People's Democratic Republic must adhere to Lao traffic regulations and Lao regulations and laws.

*Article 26. International Transportation Vehicle Stations*

International and trans-boundary goods and passenger transport vehicles entering and leaving the Lao People's Democratic Republic must enter into and park in an international transportation vehicle parking stations as determined by the Ministry of Communication, Transportation, Posts and Construction.

International transport stations are divided into two types, i.e.:

- Goods transport vehicle stations;
- Passenger transport vehicle stations.

In necessary cases, specific animal transportation stations may be established.

## **Chapter V**

### **Packing Goods and Vehicle Rentals**

#### *Article 27. Packing Goods*

To facilitate domestic, international, and trans-boundary delivery of goods, the State authorizes the existence of enterprises providing goods packing services.

#### *Article 28. Goods Packers*

A goods packer is a person or organization operating a service enterprise providing documentation, consolidation, wrapping, and packing of goods for hand-over to a transporter.

The packer is responsible for the correct and complete delivery of goods transportation documents, ensuring the complete packing of goods according to the amount listed and to not allow loss or damage or loss of value due to the packing or wrapping and to ensure that such goods reach their destination.

#### *Article 29. Authorization to Operate a Goods Packing Enterprise*

Individuals or organizations who shall receive approval to operate a goods packing service must fulfill conditions in and adhere to Articles 13, 14, 15, 16 and 17 of this Law.

#### *Article 30. Vehicle Rental Operators*

To promote the growth of transport enterprises, specialized transportation and personal transportation in domestic, international, and trans-boundary, the State authorizes the existence of vehicle rental enterprises.

Vehicle rental enterprise operators are individuals or organizations who have various types of motorized vehicles as defined in Article 9 of this Law to provide service to those needing to rent such to operate a transport enterprise or to use in specialized transportation or personal transportation sporadically or regularly according to a contract.

Vehicle rental is divided into two types as follows:

- Vehicle rental by the person renting such for his/her own use;
- Vehicle rental inclusive of services.

#### *Article 31. Obligations of Leasers and Leasees*

In leasing out vehicles by the leasee for his/her own use, the leaser must deliver the vehicle in compliance with conditions provided for in Article 16 of this Law to the leasee for use according to an agreed upon time. The leasee must pay rental, make proper use of the vehicle according to contractually agreed upon objectives, return the vehicle in



the same condition. In addition, the vehicle leaser and the leasee must adhere to other conditions as provided for by contract.

In a vehicle rental that is inclusive of service, in addition to the obligations provided for in paragraph one above, the leaser must provide a driver to the leasee where s/he must guarantee transport works and the leasee's safety and adhere to other conditions as provided for by contract. The leasee has the obligation to pay vehicle rental as agreed to by contract.

*Article 32. Authorization to Establish a Vehicle [Rental] Enterprise*

Individuals or organizations that have received authorization to operate vehicle rental enterprises must fulfill conditions and adhere to Articles 13, 14, 15, 16, 17, 18, and 23 of this Law.

In addition, vehicle leaser must also adhere to regulations relative to the administration of vehicle rental enterprises issued by the Ministry of Communication, Transportation, Posts, and Construction.

*Article 33. Prohibitions*

Individuals and organizations who have not received approval to operate a transportation enterprise are prohibited from establishing goods transport, goods packing or vehicle rental enterprises.

## **Chapter VI**

### **Administration of Surface Transportation**

*Article 34. Surface Transportation Administration Agencies*

Surface transportation administration agencies are comprised of:

- The Ministry of Communication, Transportation, Posts, and Construction;
- The Provincial, Municipal, or Special Zone Communication, Transportation, Posts, and Construction Divisions;
- The District Communication, Transportation, Posts, and Construction Bureaus.

*Article 35. Rights and Duties of the Ministry of Communication, Transportation, Posts, and Construction*

In administering surface transportation, the Ministry of Communication, Transportation, Posts, and Construction has the following primary rights and duties:

- To draw up long, medium, and short-term strategic and master plans regarding the development of surface transportation;
- To issue regulations regarding the administration of surface transportation within the territory of the country;
- To research and comment on requests to establish international and trans-boundary surface transportation enterprises;

- To study policies and surface transportation prices and then submit such to the Government for consideration;
- To study fees and charges relating to surface transportation by coordinating with relevant agencies;
- To administer the list of transportation vehicles throughout the country;
- To inspect the making of surface transportation enterprises;
- To cooperate with foreign parties and to search for funding sources to develop surface transportation;
- To exercise rights and fulfill other duties regarding surface transportation.

*Article 36. Rights and Duties of the Communication, Transportation, Posts, and Construction Divisions*

In the administration of surface transportation, the provincial, municipal or special zone communication, transportation, posts, and construction divisions have the following primary duties:

- To propagate the strategic and master plans on the development of surface transportation;
- To study and comment on requests to establish domestic surface transportation enterprises within the province, municipality, or special zone for which it is responsible;
- To register transportation vehicles in the provinces, the municipality or special zone according to the regulations issued by the Ministry of Communication, Transportation, Posts, and Construction;
- To administer the list of transport vehicles in the province, the municipality or special zone;
- To issue authorizations to operate transport vehicles within the country;
- To administer and inspect surface transportation operations within the country, international and trans-boundary transportation;
- To undertake technical inspection of transport vehicles, to administer transport vehicle garages and technical inspection stations;
- To determine the place for transportation vehicle stations and to administer such;
- To exercise rights and fulfill other duties regarding surface transportation by delegation from the Ministry of Communication, Transportation, Posts, and Construction.

*Article 37. Rights and Duties of the Communication, Transportation, Posts, and Construction Bureaus*

The District Communication, Transportation, Posts, and Construction Bureau has the right to administer transport vehicles and transport vehicle parking areas within its own district by delegation from the Provincial, Municipal, or Special Zone Communication, Transportation, Posts, and Construction Division.

*Article 38. Inspection of Transportation*

In order that surface transportation enterprise operators, specialized transport and personal transportation operators strictly adhere to transport regulations, guarantee safety and order, the Ministry of Communication, Transportation, Posts, and Construction has the duty to organize the regular and systematic inspection of transportation.

To guarantee productive inspections of surface transportation, a highway patrol may be established.

*Article 39. Transportation Committee*

To facilitate the administration of domestic, international and trans-boundary transportation, the Government may establish a National Transportation Committee by proposal from the Ministry of Communication, Transportation, Posts, and Construction. The National Transportation Committee has the following duties:

- To study the strategic plan and the transportation development plan;
- To study and determine technical standards for transport vehicles;
- To study means of protecting safety during transportation;
- To give advice to goods and passenger transportation service providers;
- To study road placement and fixing transportation costs from time to time.

In necessary cases may be established provincial, municipal, or special zone transportation committees, which have the following primary duties:

- To give advice regarding transportation;
- To determine road placement and transportation fee rates based upon those issued by the Ministry of Communication, Transportation, Posts, and Construction;
- To encourage the implementation of regulations and laws regarding transportation.

*Article 40. Transporters Association*

For more productive administration and for more orderly goods and passenger transport, the State will authorize the establishment of a Surface Transporters Association according to regulations issued by the Ministry of Communication, Transportation, Posts, and Construction.

## **Chapter VII**

### **Policy towards those who are Productive and Measures against Offenders**

*Article 41. Policy towards those who are Productive*

Any person or organization carrying out surface transportation of a good quality, guaranteeing safety and order, good protection of the environment, strictly adhering to transportation fee rates according to regulations will be commended and will benefit of a

reduction or exemption from taxes as provided for in the Law on the Promotion of Domestic Investment.

*Article 42. Measures against Offenders*

Any person or organization violating the Surface Transportation Law will be educated and trained, will be fined or will be criminally punished. In addition, violators may receive additional punishment, such as: operations suspended, withdrawal of the license, vehicles used in the offense seized.

*Article 43. Education and Training Measures*

In cases of non-serious violations and in the case of first offenses, the violator shall be educated and trained.

*Article 44. Fines*

Any individual violating any of the followings shall be fined from 3,000 to 10,000 Kip:

- Vehicle operator's permit does not accompany the vehicle;
- Lack of goods delivery documentation;
- Transportation is carried out on roads that are not so designated;
- Lack of certificate of fee and tax payment regarding transportation business;
- Driver of transport and specialized transportation business services lacks a light vehicle driver license.

Any individual violating any of the followings shall be fined from 15,000 to 30,000 Kip:

- Transportation Business License is expired;
- Lack of transport vehicle technical inspection certificate;
- Vehicle is uninsured;
- Driver of transport and specialized transport business services lacks a heavy vehicle driver license.

Any individual violating any of the followings shall be fined from 31,000 to 50,000 Kip:

- Parking a vehicle, loading or unloading goods outside of a designated area;
- Driving a vehicle in excess of the designated speed.
- Carrying a load in excess of that authorized.

Any individual violating any of the following shall be fined from 51,000 to 100,000 Kip:

- Making the surface transportation business, goods delivery or vehicle rental without authorization;
- Making the surface transportation business' goods delivery or vehicle rental with non conformity with type of authorization;
- Using the authorization of other person or ceding one's own authorization to other person to establish surface transportation enterprise.

*Article 45. Criminal Measures*

An individual who commits any of the following offenses shall be punished under the Penal Code:

- Filing falsified documents to obtain approval for establishing a surface transportation enterprise;
- Falsifying documents regarding the establishment of a surface transportation enterprise;
- Committing a criminal offense while transporting;
- Obstructing officials in their inspection of surface transportation.

Civil servants and state employees who commit criminal offense in surface transportation: taking bribes, abuse of power, document falsification, and abuse of title for personal gain shall be punished under the Penal Code.

## **Chapter VIII Final Provisions**

*Article 46. Implementation*

The Government of the Lao People's Democratic Republic is the entity to implement this Law.

*Article 47. Effectiveness*

This Law comes into effect one hundred eighty days from the date that the President of the Lao People's Democratic Republic issues a Decree promulgating it.

Provisions or acts conflicting with this Law are hereby repealed.

Vientiane, date 12/4/1997  
President of the National Assembly  
[Seal of the President of the National Assembly]

(signature]  
Samane Vignaket

