Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Labour and Social Welfare

No. 5418/MLSW

Vientiane, 10 December 2007

Decree

on importing of foreign workers into Lao PDR

- With reference to labour law No. 06/NA, dated 27 December 2006;
- With reference to Prime Minister’s Decree No. 138/PM, dated 4 May 2007 on organisation and activities of the Ministry of Labour and Social Welfare;
- In order to regulate the import and management of the use of foreign workers in line with Lao laws and regulations.

The Minister issues the Decree:

Chapter I

General Provision

Article 1. This Decree defines regulations on importing foreign workers to work in Lao PDR in order to supply necessary skill workers for investors to operate their business and to ensure that Lao workers could learn technical skill from foreign workers working in working units and projects.

Article 2. Employers of foreign workers are individuals or legal entities of Lao nationals or foreigners who operate their business in production, trading and services of all social and economic sectors and operate their business in line with laws and regulations of the Lao PDR.

Article 3. Foreign workers are foreigners who have permission to work in Lao PDR according to labour law and regulations that the Government has permission to work in production units or projects in Lao PDR which they will receive as salary or wage. Tourists, visitors who come to visit Lao PDR and engage in trading illegally are not considered as foreign workers.

Chapter II

Conditions and regulations requesting for importing foreign workers into Lao PDR

Article 4. Conditions and regulations requesting for foreign workers shall be as follow:

- an individual or legal entity including Lao nationals and foreigners who are operating their businesses in production, trading and services and aid projects have the right to request for foreign workers and the use of foreign workers. An authorized person who has the right to proceed a request for importing foreign workers and the use of foreign workers shall be a staff of these working units or aid project;
- these working units or aid projects that are already given with business authorization in accordance to laws, are required to have a yearly workplan for the use of foreign workers and receive quota issued by the Ministry of Labour and Social Welfare.

**Article 5.** Conditions for foreign workers working in Lao PDR are as follow:

- good skills with technical ability suitable for required jobs;
- good biography and not committing any crime back at home country and coming to work in Lao PDR illegally;
- Over 20 years of age;
- passing technical skills and working knowledge to Lao workers;
- following Lao laws, regulations and traditions accordingly;
- good health and no infection diseases.

**Article 6.** Procedures on requesting for a quota of importing foreign workers are as follows:

- Application for a quota from a working unit;
- Worplan for the use of foreign workers shall submit to the Department of Skill Development and Employment. If foreign workers are to work in provinces, the Provincial Department of Labour and Social Welfare concerned shall be submitted to;
- Business authorization certificate or contract agreement issued by the owner of the project (if any);
- A copy of investment permission;
- A copy of the permission on the establishment of the factory or company;
- A copy of internal tax registration.

**Article 7.** Working units or projects that require to import and use foreign workers to fill in positions that Lao workers could not perform, have to follow the permission of issuing quota from the Ministry of Labour and Social Welfare not exceeding 10% of physical labour force and not exceeding 20% of mental labour force among all labour force within the working unit.

In term of the use of foreign workers, a capacity building plan for national workers from the beginning to the end of their contract shall be developed in order to build Lao workers and enable to replace foreign workers.

**Article 8.** Procedures on submitting the request for importing and use of foreign workers:

- Submit a request for importing foreign workers to the Ministry of Labour and Social Welfare;
- A names list of foreign workers must be approved by the Immigration Department of the Ministry of Public Security;
- Submit a request for LA B2 visa through the Lao Embassy or Lao Consulate of the Ministry of Foreign Affairs in sending countries, except for those who apply visa on arrival. After the foreign workers arrive in Lao PDR, they could request for multiple entry visa at the Consular Department of the Ministry of Foreign Affairs;
- Foreign workers shall be registered and work permits will be issued at the Ministry of Labour and Social Welfare or at the Labour and Social Welfare Department of the province or Vientiane Capital;
- Temporary stay permit in Lao PDR is issued by the Immigration Department, Ministry of Public Security;
- Submit a plan on the need of foreign workers to work for investment projects to the Ministry of Planning and Investment.

**Article 9.** Documents required for importing of foreign workers:
Chapter III

The rights of importing and use of foreign worker

Article 10. The rights and duties of the Department of Skills Development and Employment are to:
- consider and issue a yearly quota for every working unit and development projects in the whole country within three weeks;
- consider and issue permission for importing of foreign workers within one week, register in order to issue work permits for foreign workers working in various working units and development projects that have permission for operating businesses in central level within two weeks and extension of working permit not more than four official working day;
- Print work permits and send to the Department of Labour and Social Welfare of the provinces and Vientiane Capital for issuing this papers to foreign workers working in their provinces;
- Perform other duties in accordance to roles and responsibilities and as assigned by higher officials.

Article 11. The rights and duties of the Labour Protection Department are to:
- Inspect the use of foreign workers working in various working units and development projects by checking against name list, position, working place, and approved working period for the import and use of foreign workers;
- oversee the use of foreign workers in order to ensure that the employment contract, regulations and laws on labour and related laws of the Lao PDR are followed accordingly;
- Perform other duties according to roles and responsibilities of its organizations.

Article 12. The rights and duties of the Department of Labour and Social Welfare of the provinces and Vientiane Capital are to:
- Collaborate with other Departments concerned, labour units and other development projects under its responsibilities in order to set up the plan for the need of importing foreign workers and the use of foreign workers and then submit to the Department of Skill Development and Employment of the Ministry of Labour and Social Welfare for approval of a yearly quota. Failure to submit the plan for the need of foreign workers, the Department of Skill Development and Employment would not take any considerations;
- issue permissions for importing and the use of foreign workers for working units and development project that have business operation certificates in provinces and Vientiane Capital based on yearly quota approved by the Department of Skill Development and Employment, Ministry of Labour and Social Welfare;
- disseminate and monitor the implementation of this Decree, hand over the appropriate responsibilities for district level to follow up on labour management, data collection, provision of labour information and report to the Department of Skill Development and Employment and the Department of Labour Protection, Ministry of Labour and Social Welfare;
- The Labour and Social Welfare Office of the district plays an important role in following up on the use of foreign workers, the calculation and the provision of Lao workers to jobs and monitoring the return home of foreign workers after the end of their employment contracts.

Article 13. The rights and duties of the working units and development projects in using and overseeing foreign workers within its responsible are to:

- Set a list of need for foreign workers, submit a request for a yearly quota of foreign workers brought in and used within its responsible;
- Disseminate, instruct in practice laws, regulations and customs of Lao PDR;
- Report and update the information on the numbers of foreign workers regularly to the Labour Management Authority or by the Related State Agencies;
- Organise conditions for foreign workers to pass on their technical knowledge and experiences to Lao workers;
- Foreign workers are allowed to work in the places where they are permitted. In case of changing the workplace or transferring foreign workers to new employers, an approval from the Labour Management Authority is needed;
- be responsible for sending foreign workers back to their origin countries after the completion of the authorization issued by the Labour Management Authority or by the Related State Agencies;

Chapter IV

Request for the registration and issuance of work permit for foreign worker

Article 14. The working units and development projects requesting for the registration and issuance of work permit for foreign workers are to:

- Submit a name list of foreign workers including position, nationality, duration of employment to the Department of Skills Development and Employment, Ministry of Labour and Social Welfare for registration. For working units and development projects operating their businesses in provinces or in Vientiane Capital have to submit their request for the registration of foreign workers within 30 days from the day they arrive in Lao PDR;
- Fill in the application form for work permit submitting to the Department of Skills Development and Employment for approval and issuing work permit;
- Any working units and development projects fail to follow the above conditions, are not allowed to use foreign workers;

Article 15. Documents required by the working units and development projects to request for the registration and issuance of work permit for foreign workers are as follow:

- Application forms for registration and issuance of work permit for foreign workers;
- Approval for importing foreign workers issued by Department of Skills Development and Employment (Attachment);
- Control Certification of the Ministry of Public for foreign workers;
- Copies of passports and Visa (Visa L A – B2);

Article 16. Documents required by the working units and development projects to request for the extension of work permit for foreign workers are as follow:

- Application forms for extension of work permit;
- Copy of passport;
- Copy of income tax;
- Reference for foreign worker given by the employer;
- employment contract (extension);

Article 17. Fees to be paid for the service:

- A set of application forms including quota, registration and work permit is 10,000 Kip;
- Fee for registration and issuance of work permit is USD 10.00 per person per month;
- Fee for the extension of work permit is USD 10.00 per person per month; (Based on the Presidential Decree of the Lao PDR No. 02/Lao PRP, dated 27 November 2002);
- For Vietnamese workers working for businesses in Lao PDR invested by Vietnamese business people or Lao-Vietnam cooperation projects, USD 48.00 is charged per person per year (Fees will be collected USD30.00 for the first three months and USD 18.00 for the 9 month extended period);
- For Vietnamese and Cambodian workers working in triangle economic development zone between Cambodia, Laos and Vietnam, USD 40.00 is charged per person per year (Based on the Notification No. 564/Govt, dated 10 April 2007).

Chapter V

Management of the use of foreign workers

Article 18. The use of foreign workers is regulated as follow:

- A foreign worker is permitted to work in Lao PDR under an employment contract for a period of not more than 12 months. An extension to the contract can be granted up to 6 months or 12 months each time;
- In case, a foreign worker is needed for the business, expansion of production, new technology for production, an extension can be granted subject to the requirement of the actual work and matched with employment conditions;
- A foreign worker working in Lao PDR is permitted for a two year period and can be extended for another two years but not exceeding four years. After working for four years, a foreign worker must return home and no extension is considered till after two years at home;

Article 19. Request for changing position, workplace and transferring to new employer

- A foreign worker who works for a working unit and a development project at central level, has to submit a request the Department of Skills Development and Employment, Ministry of Labour and Social Welfare;

- A foreign worker who works under the guidance of provinces and Vientiane Capital, has to submit a request to the Department of Labour and Social Welfare of the provinces and Vientiane Capital;

Article 20. Responsibilities of a foreign worker working in Lao PDR are as follows:

- Follow regulations, laws and respect custom of the Lao PDR;
- Pass on technical knowledge to Lao workers;
- If a foreign worker is not able to return home after 15 days as mentioned above, he/she will be responsible in accordance with regulations and laws of Lao PDR;

Chapter VI

Policies towards persons with outstanding achievements and measures against violators of this Decree

Article 21. Policies towards persons with outstanding achievements

Any working units, projects, individuals and legal entities with outstanding achievements of this Decree will be awarded or receive other policies in accordance with regulations;

Any working units, projects, individuals and legal entities that violate this Decree shall be re-educated, warned, fined, revoked the right as stated in the laws.

Article 22. All working units, projects, individuals and legal entities shall observe the following restrictions:

- do not import and register and issue work permits for foreign workers without an approval from the Department of Skills Development and Employment or from the Department of Labour and Social Welfare of the provinces and Vientiane Capital;
- do not issue work permit for a foreign worker who travels to Lao PDR on visit and tourist visa or on individual purpose and any purposes seeking to work illegally;
- A foreign worker is totally not allowed to engage in any occupations reserved for Lao nationals.

Article 23. Measures against any working units, projects, individuals and legal entities that violate this Decree:

- Any employers importing foreign workers without an approval from the Department of Skills Development and Employment or from the Department of Labour and Social Welfare of the provinces and Vientiane Capital will be fined up to USD 250.00 per person per time;
- Any employers importing foreign workers to work in a workplace where authorization is not stated will be fined up to USD 200.00 per person per time;
- Any violators of this Decree for the second time will not be allowed to use foreign workers and will be fined according to Article 75 of National Labour Law and will be responsible to cover all expenses for sending foreign workers home;
- Any employers using foreign workers over a permitted period will be fined up to USD 5.00 per person per day;
- Any foreign workers that work illegally without permission the Department of Skills Development and Employment or from the Department of Labour and Social Welfare of the provinces and Vientiane Capital will be fined up to USD 100.00 per person per time;
- Any individuals or legal entities that provide jobs to foreign workers without a proper permission from authorities concerned will be fined up to USD 300.00;
- A foreign worker violates regulations, laws and custom of Lao PDR will be punished lightly or strongly, subject to the decision of People’s Court of the Lao PDR.

Chapter VII

Implementation
Article 24. Experts, International technical officers working for aid projects of the Government and foreign workers working for passing their expertise under the agreement in some working units and international organizations are exempt from this Decree.

Article 25. Employers and foreign workers who work in Lao PDR shall acknowledge and implement this Decree strictly.

Article 26. The Department of Skills Development and Employment and the Departments of Labour and Social Welfare of the provinces and Vientiane Capital are assigned to implement, disseminate and provide instruction this Decree widely.

Article 27. This Decree is to supersede the Decree No. 749/LSW and becomes effective within 60 days after the date of signature till an amendment is allowed and any regulations which are controversial to this Decree shall become invalid.

Minister of the Ministry of Labour and Social Welfare

Ounchanh Thammavong