

**ARRANGEMENT BETWEEN THE MINISTRY OF
FINANCE OF THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC AND THE GENERAL ADMINISTRATION OF
CUSTOMS OF THE PEOPLE'S REPUBLIC OF CHINA ON
CUSTOMS FACILITATION**

The Customs Department of the Lao People's Democratic Republic and the General Administration of Customs, the People's Republic of China (hereinafter referred to as "the Parties"),

Being Conscious of the bonds of longstanding friendship between Laos and China, friendly relations arising from the Comprehensive Strategic Partnership of Cooperation between the two countries and acknowledging enhanced volume of bilateral trade;

Realizing that Customs has a unique role in the global supply chain, and that enhanced cooperation between the two Parties would help to secure borders and facilitate trade;

Considering the Joint Statement between the Lao People's Democratic Republic and the People's Republic of China and issued on May 4, 2016; and

Bearing in mind the need for both Parties to work together to ensure trade facilitation and security within the framework of the Belt & Road Initiative;

Have agreed as follows:

ARTICLE 1 STANDARDS

The Parties shall cooperate in order to implement internationally accepted standards and best practices, with particular focus on:

- Mutual recognition of control**, to reduce duplication of inspection and allow better targeting;
- Mutual administrative assistance**, to fight against fraud and protect legitimate trade;
- Mutual exchange of information**, to strengthen risk management through sharing of information on policies and practices.

ARTICLE 2

KEY AREAS OF COOPERATION

1. Cooperation in Trade Facilitation

The Parties shall through the experience and best practices sharing explore trade facilitation measures including but not limited to harmonizing and simplifying customs procedures so as to ensure speedy movement of goods across their borders.

The Parties shall adopt facilitation measures, including open specific windows ; fast clearance channels and explore the possibility of one-stop inspection policy and etc at selected ports, to expedite clearance of equipment and material needed for the construction of China-Laos key projects, such as China-Lao PDR Railway and etc.

The Parties realize the importance of the Mohan-Borten Economic Cooperation Zone, and will carry out the most efficient customs procedures for its development.

The Parties explore and study the possibility and necessary of the cooperation in Joint Customs Control, and will push forward of the mutual recognition of the unified electronic data of the Cargo Manifest in due time.

The Parties shall exchange information opportunely and efficiently, particularly information regarding change and adjustment of customs policy and regulations.

The Parties shall endeavor in strengthening the cooperation with the businesses; solve the problems the enterprises encounter when fulfill customs obligations and procedures, promote the unity of

enforcement based on the applicable law and regulations respectively and create a favourable customs clearance environment.

2. Cooperation in Law Enforcement

The Parties recognize the importance of enforcement cooperation on ensuring border security and have the will to cooperate jointly and share the experiences in combating customs offences.

The Parties will give high priority to each other to deal with the administrative assistance request, will share the expertise and best practice by mutual visit and discussion.

The Parties will select the mutual areas concerned, such as the smuggling of drugs, endangered species and their products, and combat jointly the illicit activities by intelligence sharing, case assistance and joint enforcement action, etc.

3. Cooperation in Capacity Building and Technical Assistance

The Parties shall establish a working linkage between their training institutions, and conduct capacity building cooperation and technical assistance through organizing training courses, seminars and etc.

China Customs will provide the following assistance to the Laos Customs:

(a) exchange of selected customs officers and experts to promote understanding of the law and policy to each other;

(b) training, especially on the customs expertise. China Customs will provide one or two weeks training course per year when deemed necessary for a period of three(3) years. A review evaluation shall be done at the end of the three-year term. Subsequent cooperation scheme will be discussed based on the result of the review;

(c) exchange of the experience, for the purposes of the simplification and harmonization of their customs procedure, the trade security and facilitation, particularly on the following issues:

i. techniques and improved methods of customs control on the

goods of importation and exportation, passenger clearance, means of transport, passenger baggage and postal articles;

ii. the way of obtaining the information which might be useful for the investigation and the dealing of the Customs offences cases and, in particular, the way of obtaining the information on the new trends and methods on the smuggling activities and its means, methods of concealment, new smuggling tools and etc; the way of committing customs offence and the achievements thereof;

iii. modernization of Customs management, particularly the application of the customs control deploy, computers and other modern scientific technics;

iv. Customs laws, regulations and rules regarding the Authorised Economic Operators' management and mutual recognition.

4. Cooperation in Port and Border Management

The Parties shall strengthen the coordination and cooperation on port and border issues, coordinate the problems of customs procedures happened, improve the port environment, and upgrade the clearance efficiency at the ports.

The Parties support the openness of the Port Mangman and Panghai. The Parties shall cooperate jointly to open the cargo channel between Mohan and Borten to make the split-flow treatment for the cargo and passenger, and to improve the capacity of the ports.

The Parties shall cooperate through consultation and coordination to improve border management and infrastructure at their ports of entry. They shall also encourage their border customs offices to work together under bilateral and trilateral framework with Thailand through exchange of visits and information to improve their capabilities in risk management and IPR protection etc. so as to expedite the clearance of goods and passengers across their border crossings.

5. Cooperation under Regional and Multilateral Frameworks.

The Parties shall within Regional and multilateral frameworks, such as Lancang-Mekong Cooperation, China-ASEAN, the World Customs Organization, cooperate and coordinate their positions on issues of mutual concern and deemed critical by both Parties.

The Parties shall work together and promote the successful and remarkable bilateral cooperation projects to the regional and multiple customs cooperation mechanism which both Parties participate in.

ARTICLE 3 CONTACT POINTS

The Parties shall notify each other of a contact point for communication about general cooperation matters at the beginning of each year. Any changes in the details of the contact point shall be immediately notified to the other Party.

ARTICLE 4 IMPLEMENTATION

Any issues related to the interpretation or implementation of this Arrangement shall be settled through consultations between the Parties.

ARTICLE 5 COST

The Parties shall unless in exceptional cases, bear the cost of fulfilling their commitment under this Arrangement.

ARTICLE 6 CONFIDENTIALITY

Inquiries, data, documents and other information received by either Party under this Arrangement shall, be treated as confidential and be used only for the purposes of this Arrangement..

ARTICLE 7 EFFECT AND TERMINATION

1. This Arrangement will come into effect as of the date of the signature by representatives of the Parties.
2. Either Party may terminate this Arrangement by giving a written notification to the other Side at least thirty(30) days in advance.

SIGNED in duplicate at *Vientiane Capital* on 8 September 2016, in the Chinese, Lao and English languages, all texts being equally valid. In case of divergence, the English text shall prevail.

For the Ministry of Finance
of the LAO People' s
Democratic Republic



For the General
Administration
of Customs of the People' s
Republic of China

