



(Unofficial Translation)

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENT DEMOCRACY PROSPERITY
Prime Ministry Office No 456/PM
Vientiane Capital, Date 01/11/2010
DECREE

On the Management of Local Staff Working with Foreign
Organizations based in the Lao PDR

- Based upon the provisions of the Law on the Government of the Lao People's Democratic Republic, N.02/NA dated 6 May 2003
 - Based upon the provisions of the Labour Law N.06/NA dated 27 December 2006;
 - Referring to the proposal made by the Minister of Foreign Affairs, N. 05690/MOFA, dated 19 October 2010;
- The Prime Minister issues the decree as follows:

Part 1 GENERAL PROVISIONS

Article 1 Objective

This Decree sets out rules and regulations on the management of local staff employment with foreign organizations based in the Lao PDR with an aim to protecting the rights and interests of the local staff and those of the foreign organizations and to ensure compliance with the law of the Lao PDR.

Article 2 Use of terms

The terms used in this Decree shall mean as follows:

1. Local staff means Lao citizens and aliens who have permanent residence in the Lao PDR and are employed in foreign

- organizations in the Lao PDR;
2. Foreigner Organizations means embassies, consular offices, the United Nations agencies, international non-government organizations, international financial institutions, international non-profit organizations, aid development funds, development projects and foreign representative offices and bureaus authorized to engage in activities in the Lao PDR;
 3. Local Staff Management Office means the Ministry of Foreign Affairs of the Lao PDR;

Article 3 Scope of Application

This Decree is applicable for foreign embassies, consular offices, diplomatic residences, foreign expert residences, the United Nations agencies, international non government organizations, international financial institutions, international water resources development bodies, international non-profit organizations, aid development funds, development projects in the Lao PDR which employ local staff in their offices and their residences.

Part 2

CONDITIONS, RIGHTS AND OBLIGATIONS OF LOCAL STAFF

Article 4 Conditions for being employed as local staff

Any person applying to work with a foreign organization must be a Lao citizen or an alien holding Lao family registration book and permanently residing in the Lao PDR. The applying person must have a clean personal record, certain professional knowledge and ability and reaches 18 years old.

The local staff to be employed with a foreign organization shall submit all relevant documents to the Ministry of Foreign Affairs in Vientiane capital.

Article 5 Rights of local staff

Local staff working in foreign organizations have the following rights:

1. Enter into a labour contract with a foreign organization that has recruited the local staff;
2. Receive salary, benefits and other social welfare policies from the employing foreign organization in accordance with the present Decree and the Labour Law of the Lao PDR;
3. Have public holidays, weekly days off in accordance with the Labour Law of the Lao PDR and other traditional festivals days off as determined by the Lao Government, the employing foreigner organization;
4. Attend consultative meetings hosted by the Ministry of foreign Affairs to exchange views on local staff management;
5. Present views to the Ministry of Foreign Affairs regarding favorable matters, difficulties, negative phenomena which may have been indentified in performing their work;
6. Continue study, research or training to improve their capacity and knowledge in accordance with the Government's general policy and based on the actual conditions of the employing foreign organization;
7. Enjoy other rights and legitimate interests in accordance with the laws and regulations of the Lao PDR.

Article 6 Obligations of local staff

Local staff have the following obligations:

1. Fulfill their obligations towards the State in an accordance with the laws of the Lao PDR and the regulations issued by the Ministry of Foreign Affairs;
2. Fulfill their duties and obligations under the labour contract signed with the foreign organization;

3. Send their CV, including information on their position and salary or wage to the Ministry of Foreign Affairs;
4. Pay personal income tax based on their salary or wage in accordance with the law of the Lao PDR;
5. Preserve and promote the fine traditions and culture of Laos.

Part 3

SALARY OR WAGE AND PUBLIC HOLIDAY

Article 7 Salary or wage

The minimum salary or wage for local staff working in foreign organizations as baby sister, cleaner, cook, gardener, security guard and etc shall be no less than 1.000.000 (one million) kip per person/month; the minimum salary or wage for those working as secretary or upwards shall be no less than 2.000.000 (two millions) kip per person/month. These minimum salary or wage rate is subject to change and increase during each period of time with the decision to be issued by the Minister of Foreign Affairs.

The matter relating to salary or wage and other benefits such as in case of overtime work and during public holidays shall be mentioned in laobur contracts in accordance with the law of the Lao PDR.

Article 8 Weekly days off and public holidays

Local staff have may take one day in the week as weekly day off which may be agreed upon between the local staff and the employing foreign organization.

Public holidays are subject to the regulations of the Government of Lao PDR and those of the concerned foreign organization.

Annual leave is to be taken by local staff in accordance to Article 21 of the Labour law of the Lao PDR N.06/NA, dated 27

December 2006 and the regulations of the concerned foreign organization in compliance with the present Decree and the Labour Law of the Lao PDR.

Part 4

LABOUR CONTRACT AND LABOUR DISPUTE SETTLEMENT

Article9 Labour Contract

The employment of local staff by a foreign organization shall effectuated by a labour contract between the local staff and the concerned foreign organization based upon the principles of equality, justice and in accordance with the laws and regulations of the Lao PDR.

Foreign organizations shall notify the labour contracts with local staff to the Ministry of Foreign Affairs to ensure the implementation and management in accordance with the present Decree.

Article10 Termination of labour contracts

Foreign organizations shall notify the Ministry of Foreign Affairs in writing 45 working days in advance regarding the termination of the labour contract with local staff for whatever reasons and during this notification process the local staff shall work and receive salary or wage he/she is entitled to.

Where local staff has committed a serious misconduct, the concerned foreign organization may immediately terminate the labour contract and shall inform the Ministry of Foreign Affairs within 30 days of such determination.

In all cases of labour contracts termination with local staff, foreign organizations shall accordingly inform the Ministry of Foreign Affairs of the termination in writing and clarify the reasons

for the termination.

The foreign organizations shall pay salary or wage and other benefits the local staff are still entitled to in accordance with the labour contract and based on the Labour Law of the Lao PDR before terminating the labour contract.

Article 11 Dispute settlement

Whenever a dispute arises between local staff and foreign organizations, the following settlement means and procedures are to be applied:

1. The disputing parties shall try to reach a solution through discussion, compromise, conciliation; where the dispute cannot be solved, the parties may submit the dispute to the Ministry of Foreign Affairs for solution.
2. When the dispute has been brought to the Ministry of Foreign Affairs, the latter will invite the parties for discussion in order to seek a solution fair to both parties within 45 days after the receipt by the Ministry of Foreign Affairs of the dispute.
3. In case the dispute cannot be solved by the Ministry of Foreign Affairs, the two parties have the right to submit the dispute to the People's Court for adjudication.

The settlement of dispute between the local staff and the foreign organization prescribed under points 1, 2 and 3 of this Article shall be made in accordance with the law of the Lao PDR.

Part 5 RIGHTS AND OBLIGATIONS OF FOREIGN ORGANISATIONS

Article 12 Rights of foreign organizations in employing local staff

Foreign organizations shall be facilitated and provided with

quality local staff for employment with such organizations with priority being given to Lao citizens according to the Labour law of the Lao PDR.

Article 13 Obligations of foreign organizations

Foreign organizations have the following obligations:

1. Inform the Ministry of Foreign Affairs twice a year of the names, positions, workplaces and salary rates of their local staff working in offices, project sites and residences;
2. Send the names of the newly recruited local staff or the local staff who have resigned from their positions to the Ministry of Foreign Affairs within 15 working days from the recruiting or resigning dates;
3. Facilitate the attendance at meetings and the participation in activities by local staff, which are organized by the Ministry of Foreign Affairs for which an official invitation shall be sent at least 5 working days in advance;
4. In case local staff has become disabled, handicapped due to work accident, fallen sick due to occupational disease or even died for one of those reasons, foreign organizations shall pay curing costs and other legitimate benefits to the victims in accordance with the provisions of the Labour Law of the Lao PDR and the rules and regulations of the concerned foreign organization.

Part 6

RIGHTS AND OBLIGATIONS OF THE MINISTRY OF FOREIGN AFFAIRS

Article 14 Scope of local staff management by the Ministry of Foreign Affairs

The Government of Lao PDR uniformly exercise the local

staff management with the Ministry of Foreign Affairs being the Local Staff Management Office in close coordination with the Ministry of Finance, Ministry of Labour and Social Welfare and other relevant sectors.

Article 15 Rights of the Ministry of Foreign Affairs

The Ministry of Foreign Affairs has the rights in the following:

1. Management, monitoring and inspection of the employment of local staff;
2. Issuance of recommendations on the implementation of the present Decree;
3. Encouraging local staff to comply with the income tax obligation in accordance with the Taxation Law of the Lao PDR;
4. Proposing for the termination of labour contracts between local staff and foreign organizations where it considers that the labour contracts' terms and conditions contradict the present Decree and the Labour Law of the Lao PDR.

Article 16 Obligations of the Ministry of Foreign Affairs

The Ministry of Foreign Affairs has the following obligations:

1. Provide prospective local staff for the recruitment by foreign organizations based on the qualifications and requirements set by foreign organizations;
2. Exercise monitoring and management of the employment of the local staff recruited by foreign organizations before the adoption of the present Decree;
3. Proactively participate in mediating, educating and resolving disputes between local staff and foreign organizations;

4. Encourage foreign organizations to adopt conducive policies for and ensure social welfare in the interest of local staff;
5. Facilitate local staff in performing their duties.

Part 7

FINAL PROVISIONS

Article 17 Implementation of the present Decree

The Ministry of Foreign Affairs is assigned to provide guidance and coordinate with concerned sectors in the implementation of the present Decree according to its rights, obligations and responsibilities.

Ministries, ministry-equivalent organizations, local administrations shall be aware of the present Decree and strictly comply with it in accordance with their functions and responsibilities.

Article 18 Entry in force

This Decree is effective from the date of signature. Any regulations or provisions contradicting the present Decree are null and void.

Prime Minister of the Lao PDR

Bouasone BOUPHAVANH

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Foreign Affairs

N. 00480/AE

Vientiane, 1 Feb 2011

Guidelines of the Minister of Foreign Affairs regarding the Implementation of the Prime Minister's Decree on the Management of Local Staff in Foreign Organizations in the Lao PDR, N. 456/PM, dated 1 November 2010

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- Based upon the Prime Minister's Decree, N. 056/PM, dated 26 February 2009 on the Organization and Activities of the Ministry of Foreign Affairs;
 - Based upon the Prime Minister's Decree , N. 456/PM, dated 1 November 2010 on the Management of Local Staff in Foreign Organizations in the Lao PDR;

The Minister of Foreign Affairs issues the following Guidelines

SECTION I

Purpose of the Guidelines

Article 1 Purpose

These Guidelines provide detailed and clearer explanations on certain provisions of the Prime Minister's Decree , N. 456/PM,dated 1 November 2010 on the Management of Local Staff in Foreign Organizations in the Lao PDR to enable local staff, foreign organizations to understand and uniformly apply those provisions with an aim to protecting the interests of local staff and of foreign organizations and to ensuring the compliance with Lao PDR's laws and regulations.

Article 2 Use of Terms

- 2.1 The Office of Local Staff Management in these Guidelines means the Diplomatic Service Bureau of the Ministry of Foreign Affairs
- 2.2 Foreign organizations means the foreign organizations as defined in Article 2.2 of these Guidelines and Article 3 of the Prime Minister's Decree, which include UN agencies such as UNDP, WHO, FAO, UNICEF, UNFPA, UNODC, WFP, etc; foreign governments' international cooperation agencies such as JICA, KOICA, etc; non-governmental organizations; international committees for water resources development; international financial institutions such as WB, IMF, ADB; residences of

- diplomats, experts of international organizations; which have recruited local staff to work in the organizations, offices, residences, and have the authorization to work in the Lao PDR.
- 2.3 Local staff means Lao citizens, aliens with family registrationbook and have permanent residence in the Lao PDR, who work with foreign organizations-in offices, projects, residences of diplomats, experts of international organizations and receive salaries or other benefits and allowances as prescribed in the law of the Lao PDR and labour contracts.

Article 3 Objectives of the Guidelines

- 3.1 To ensure that the local staff management is consistent with the Prime Minister's Decree and the Labour Law of the Lao PDR;
- 3.2 To ensure that the local staff management is centralized via One Door which is the Diplomatic Service Bureau of the Ministry of Foreign Affairs in Vientiane capital .

SECTION II

Conditions , Rights and Obligations of Local Staff

Article 4 Conditions, Rights and Obligations of Local Staff

- 4.1 The conditions, rights and obligations of local staff shall be implemented in coordination with other concerned stakeholders in strict compliance with Articles 4, 5 and 6 of the Prime Minister's Decree;
- 4.2 With regard to Article 4 paragraph 2 of the Prime Minister's Decree, the implementation thereof shall be as follows:
 - 4.2.1 An individual who intends to work with a foreign organization shall send his/her application for this purpose to the Diplomatic Service Bureau of the Ministry of Foreign Affairs in Vientiane capital;
 - 4.2.2 At the provincial level, applications for work as local staff shall be sent to the provincial Department of Foreign Relations which will then send the list of local staff to the Diplomatic Service Bureau of the Ministry of Foreign Affairs that coordinates with the provincial Department of Foreign Relations in the local staff management;
- 4.3 Local staff shall fulfill the obligation to pay income tax on salary or wage in full compliance with the Taxation Law of the Lao PDR. At the provincial level, local staff shall pay income tax to the relevant provincial authority;
- 4.4 Local staff working with foreign organizations shall pay

supporting contributions of 10,000 kip/month/person to the Diplomatic Service Bureau of the Ministry of Foreign Affairs for the purpose of use in the Bureau administrative work as well as joint activities

SECTION III

Labour Contract and Labour Dispute Settlement

Article 5 Labour Contract and Labour Dispute Settlement

- 5.1 Local staff recruited by foreign organizations after the entry into effect of the Prime Minister's Decree shall have uniformed labour contracts directly agreed upon between the local staff and the foreign organizations based on equality, justice and consistency with the Prime Minister's Decree and the laws and regulations of the Lao PDR;
- 5.2 Local staff and foreign organizations shall notify their labour contracts to the Diplomatic Service Bureau of the Ministry of Foreign Affairs in accordance with Article 9, paragraph 2 of the Prime Minister's Decree, and these Guidelines;
- 5.3 Foreign organizations and local staff before terminating labour contracts in any cases shall comply with the provisions of Article 10 of the Prime Minister's Decree,

- and these Guidelines;
- 5.4 Labour disputes between local staff and foreign organizations shall be settled according to the procedure provided for in Article 11 of the Prime Minister's Decree, and the law of the Lao PDR.

SECTION IV

Rights and Duties of Foreign Organizations

Article 6 Rights and Duties of Foreign Organizations

- 6.1 Foreign organizations have the right to recruit local staff as prescribed in Article 12 of these Guidelines in accordance with the Prime Minister's Decree and the law of the Lao PDR;
- 6.2 Foreign organizations have the duty to inform the Diplomatic Service Bureau of the Ministry of Foreign Affairs, at the Bureau's request, on names, positions, workplaces and salaries or wages of their local staff in accordance with Article 13 of the Prime Minister's Decree;
- 6.3 Foreign organizations have the duty to inform the Diplomatic Service Bureau of the Ministry of Foreign Affairs on the names of the local staff who have

completed the 3 month period probation in their labour contracts to the Diplomatic Service Bureau of the Ministry of Foreign Affairs for the purpose of registration and issuance of local staff ID card as provided in the Prime Minister's Decree.

6.4 Foreign organizations recruiting local staff shall comply with the following procedure:

- Sending proposals on the required positions and qualifications to the Diplomatic Service Bureau for consideration;
- Foreign organizations have the right to make selection of local staff to work with them under the Prime Minister's Decree and these Guidelines but shall notify the Diplomatic Service Bureau on the selection plus sending the relevant documents considered regarding the local staff selection.

SECTION V

Rights and Duties of the Diplomatic Service Bureau of the Ministry of Foreign Affairs

Article 7 Rights and Duties of the Diplomatic Service Bureau

7.1 The Diplomatic Service Bureau has the rights and duties in

the management of local staff working with foreign organizations and in the protection of their interests in strict compliance with Articles 14,15 and 16 of the Prime Minister's Decree;

- 7.2 The Diplomatic Service Bureau has the duty to give advice to the Departments of Foreign Relations of Vientiane capital and all provinces in regards to their providing information,management of local staff and reporting from time to time on their work in this regard to the Diplomatic Service Bureau;
- 7.3 The Diplomatic Service Bureau has the right and duty to issue local staff ID cards for the local staff recruited to work with foreign organizations prior and following the adoption of the present Prime Minister's Decree.

SECTION VI

Salaries or wages and days-off of Local Staff

Article 8 Salaries or wages and days off of Local Staff

- 8.1 The minimum salary or wage of local staff working with foreign organizations shall be uniformly implemented in accordance with Article 7 of the Prime Minister's Decree and these Guidelines;

- 8.2 Local staff working as baby sitter, cleaner, cook, gardener, security guard, and others of a similar nature shall receive the minimum salary or wage of no less than 1,000,000 (one million) Kip/person/month;
- 8.3 Local staff working as supporting staff, office worker and in positions upwards shall receive minimum salary or wage of no less than 2,000,000 (two million) Kip/person/month. Salaries or wages of office manager, project or organization manager, assistant expert or expert shall be mutually agreed upon between the local staff and the foreign organization concerned;
- 8.4 The minimum salary or wage under Article 7 of the Prime Minister's Decree may be changed from time to time by a decision of the Minister of Foreign Affairs;
- 8.5 Local staff and foreign organizations shall agree on benefits, salaries or wages in labour contracts in accordance with the Prime Minister's Decree and the Labour Law of the Lao PDR;
- 8.6 Weekly days off for local staff are Saturday and Sunday while public holidays are the following:
 1. International New Year, 1 January (one day off)
 2. International Women's Day, 8 March (one day off)
 3. Lao New Year (three or four days off)

4. International Labour Day , 1 May (one day off)
5. National Day, 2 December (one day off)

In case a public holiday falls on Saturday or Sunday, the following day shall be the compensating day off.

Other days off of foreign organizations shall continue to be practiced as in the past which shall be in conformity with Article 8 of the Prime Minister's Decree.

SECTION VII

Scope of Application

Article 9 Scope of Application

- 9.1 These Guidelines are applicable to the local staff working with foreign organizations as stipulated in Article 3 of the Prime Minister's Decree;
- 9.2 These Guidelines do not apply to civil servants, military, police and those working in business, production or service;
- 9.3 The scope of the management of local staff working with foreign organizations based in the Lao PDR shall be within the stipulations of Articles 2 and 3 of the Prime Minister's Decree.

Article 10 Implementation

- 10.1 The Diplomatic Service Bureau is assigned to disseminate and efficiently implement these Guidelines in coordination with all other concerned sectors according to its functions, rights, duties and responsibilities;
- 10.2 Foreign organizations that have local staff working in their organizations, offices, residences shall be informed of these Guidelines and extend their cooperation to the Diplomatic Service Bureau of the Ministry of Foreign Affairs in the implementation of the Prime Minister's Decree and these Guidelines;
- 10.3 Non-cooperation will result in educating, warning or taking measures under the law of the Lao PDR.

Article 11 These Guidelines shall be effective upon signature

Deputy Prime Minister
Minister of Foreign Affairs

Thongloun Sisoulith