



**Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity**

**National Assembly**

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## **Law on Competition**

### **Part I General Provisions**

#### **Article 1 Objectives**

This Law determines principles, regulations and measures for managing and monitoring the competition in business activities in order to make such competition lawful, fair, transparent, flexible and equal, and aims to prevent and counter the unfair competition and the restriction of the business competition as well as to protect rights and interests of the State, business operators and consumers, which contributes to regional and international integration, and the expansion and sustainability of the national socio-economic development.

#### **Article 2 Competition**

Competition shall be the competition among the same type of business operators in conducting activities with regard to quality, quantity, price and others, aiming to achieve their business objectives.

#### **Article 3 Definitions**

The terms used in this Law shall have the following meanings:

- 1. Business operation** refers to the business activities regarding production, trade and services;
- 2. Market** refers to the scope of business activities where buyers, sellers and service providers directly or indirectly contact and agree to buy and sell goods and services;
- 3. Market share** refers to the percentage of the value of purchasing and selling of goods and services of any enterprises in the relevant market;

**4. Relevant market** refers to the relevant product and service markets, and the geographical market:

- **Product and service markets** refer to the scope of purchasing and selling goods and services which may be substituted in terms of characteristics, purpose of use and price;
- **Geographical market** refers to the scope of any specific geographical area in which goods and services may be interchanged with or substituted for each other;

**5. Business secret** refers to undisclosed information regarding method, production process, business operation or services;

**6. Merger of enterprises** refers to an act whereby two or more enterprises agree to transfer all of their legitimate assets, rights, obligations and interests to become either the existing enterprises or a new enterprise;

**7. Acquisition of enterprise** refers to an act whereby an enterprise agrees to buy a part or all of assets of other enterprise to be under its ownership and administration;

**8. Joint venture** refers to partnership investment of two or more enterprises agreeing to join legitimate assets, rights, obligations and interests to form a new enterprise;

**9. Business association** refers to an organization which is voluntarily established and regularly operated as a non-profit organization, to protect legitimate rights and interests of association and of its members;

**10. Quality of goods** refers to a level that defines characteristics, features, and suitability for the consumption of such goods.

#### **Article 4 State Policy on Competition**

The State recognizes and protects the rights of all economic sectors in competition for operating their activities under equal, fair competitive conditions as stipulated in the laws and regulations.

The State facilitates a free competition under by-law and does not allow any authority to impede or create barriers to competition.

The State promotes competition and encourages all sectors in the society participating in raising awareness of fair competition culture so as to prevent and counter the unfair competition and the restraint of competition.

The State creates conditions for and enhances the capacity of Small and Medium Enterprises (SMEs) to participate in the fair competition.

## **Article 5 Principles of Competition**

The competition shall be complied with fundamental principles as follows:

1. Ensuring the compliance with policies, laws and regulations;
2. Ensuring the rights and interests of the State, business operators and consumers;
3. Ensuring the equality, transparency and fairness in the competition;
4. Ensuring that the production, distribution of goods and services meet quality, standards and fair price;
5. Abiding by the international conventions and treaties to which the Lao PDR is a party.

## **Article 6 Scope of Application**

This Law shall apply to domestic and foreign individuals, legal entities and organizations with business presence in Lao PDR.

## **Article 7 International Cooperation**

The State liberalizes and promotes foreign, regional and international cooperation in competition by exchanging lessons, information, scientific techniques, technologies, trainings and improving technical capacities in order to ensure effective competition and conformity with the international conventions and treaties to which the Lao PDR is a party.

# **Part II Unfair Competition**

## **Article 8 Unfair Competition**

Unfair competition is a business operation of one or two or a group(s) of enterprises involving in any practice as stipulated in article 9 of this law.

## **Article 9 Unfair Competition Practices**

Unfair competition consists of the practices as follows:

1. Misleading conduct;
2. Violation of business secrets;
3. Coercion in business operation;
4. Defamation of other business operators;

5. Imposing obstacles to business operation;
6. False advertisement;
7. Unfair sales promotion;
8. Discrimination by business association;
9. Other practices as stipulated in the relevant laws and regulations.

### **Article 10 Misleading Conduct**

Misleading conduct is an act that provides consumers with misleading information about a trademark, brand, geographical indication, packaging, label and other elements of goods or services which make consumers understand that those are reliable, standardized or registered.

### **Article 11 Violation of Business Secrets**

Violation of business secrets is any practice as stipulated in this article in order to take advantage of other business operators.

Violation of business secrets is as follows:

1. Accessing and collecting business secrets without permission;
2. Disclosing and using business information without permission;
3. Breaching a contract of keeping business secrets confidential;
4. Taking advantage of trust from the business secrets holders in order to access and collect business secrets.

### **Article 12 Coercion in Business Operation**

Coercion in business operation is an act that a business operator directly or indirectly uses deception, order or threat to coerce other business operators to do or not to do something in favor of his/her interest which is inconsistent with those business operators' objectives.

### **Article 13 Defamation of other Business Operators**

Defamation of other business operators is an act that slanders other business operators by directly or indirectly disclosing and providing false information which negatively impacts on their business operation.

## **Article 14 Imposing Obstacles to Business Operation**

Imposing obstacles to business operation is an act of directly or indirectly creating difficulties for other business operators in operating businesses such as the access to finance, raw materials, information and technology.

## **Article 15 False Advertisement**

False advertisement is an act that discloses incorrect, distorted or over stated, information regarding production, characteristics, quality of goods and services which negatively affect interests of other business operators and consumers.

## **Article 16 Unfair Sales Promotion**

Unfair sales promotion is a deceptive advertisement or any kind of acts that persuade the consumers to buy more goods and services through any means such as: failure to provide the prize as announced, offering free goods or services to customers for a trial use but requiring their payment at later stage.

## **Article 17 Discrimination by Business Association**

Discrimination by Business Association is an act of unfairly refusing admission to or withdrawal from the Business Association, as well as unequal treatment to its members, in order to gain benefit from competition,

## **Part III Restraint of Competition**

### **Article 18 Restraint of Competition**

Restraint of competition is the business operation of one or two or a group[s] of enterprises aimed to reduce, distort and/or prevent competition through any types of operation as stipulated in article 19 of this Law.

### **Article 19 Types of Restraint of Competition**

Types of restraint of competition are as follows:

1. An agreement aimed at restraint of competition;
2. Abuse of dominant market position and market monopoly;
3. Combination aimed at restraint of competition.

There will be the exclusion/exemption for each type of restraint of competition mentioned above as stipulated in Section 4 of this Part.

## **Section 1**

### **Agreement aimed at Restraint of Competition**

#### **Article 20 Agreement aimed at Restraint of Competition**

Agreement aimed at restraint of competition is a commitment among business operators to reduce, distort and/or impede the business competition.

#### **Article 21 Practices Considered as the Agreement aimed at Restraint of Competition**

Practices considered as the agreement aimed at restraint of competition are follows:

1. Fixing the price of goods and services;
2. Fixing the market share and allocating market;
3. Fixing the quantity of production;
4. Restraining the development of technology and quality of goods and services;
5. Imposing conditions on purchasing and selling of goods and services;
6. Preventing other business operators from entering market;/impeding market access of other business operators
7. Driving other business operators out of the market;
8. Bid rigging;
9. Other practices as stipulated in the relevant laws and regulations.

#### **Article 22 Fixing the Price of Goods and Services**

Fixing the price of goods and services is an agreement among business operators to set prices of goods and services to be higher or lower and other forms of price fixing to monopolize the market.

#### **Article 23 Fixing the Market Share and Allocating Market**

Fixing the market share and allocating market are an agreement among business operators to divide market share and allocate the market, sources of the supply of goods and services, which drive other business operators out of markets or restrain, and prevent/impede other business operators from supplying goods and services in the relevant market.

#### **Article 24 Fixing the Quantity of Production**

Fixing the quantity of production is an agreement among business operators to produce a certain quantity of production in order to hoard the products, to increase price of products or unfairly dominate the market.

#### **Article 25 Restraining the Development of Technology and Quality of Goods and Services**

Restraining the development of technology and quality of goods and services is an agreement among business operators to prevent any business operator from developing the technology, production, and quality of goods and services, which result in an increase in the production costs of their products or services.

#### **Article 26 Imposing Conditions on Purchasing and Selling of Goods and Services**

Imposing conditions on purchasing and selling of goods and services is an agreement among business operators to set unfair conditions for other business operators when signing a sale and purchase contract of goods and services by determining different quality of goods and services; different terms of payment; offering different prices of the same kind of goods or services; requesting further obligations for purchasing and sale; and forcing other business operators thereof to accept other requirements which are not relevant to such contract.

#### **Article 27 Preventing other Business Operators from Entering Market**

Preventing other business operators from entering market is an agreement among business operators by applying direct or indirect means to restrict, impede, prevent other business operators from entering the market in order to facilitate its group members to dominate the market.

#### **Article 28 Driving other Business Operators out of the Market**

Driving other business operators out of the market is an agreement among business operators by applying direct or indirect means to force other business operators out of the market.

#### **Article 29 Bid Rigging**

Bid rigging is an agreement among business operators or business operators and relevant officials in order to win a bid for their own benefits.

## **Section 2**

### **Abuse of Dominant Market Position and Market Monopoly**

#### **Article 30 Dominant Market Position and Market Monopoly**

Dominant market position is the business operation of one or two or a group of enterprises which has the market share over the threshold defined periodically by the Competition Commission.

Market monopoly is the business operation of one or a group of enterprises as only seller of goods and services in the relevant market.

#### **Article 31 Practices of Abuse of Dominant Market Position and Market Monopoly**

Practices of abuse of dominant market position and market monopoly are as follows:

1. Unfairly fixing the prices of purchasing and selling of goods and services;
2. Selling goods and services at below production costs and selling goods with poor quality;
3. Refusing to sell goods and services to customers;
4. Imposing the conditions of tied selling-buying of goods and services;
5. Imposing the different prices or conditions of purchasing and selling the same kind of goods and services;
6. Other practices as stipulated in the relevant laws and regulations.

#### **Article 32 Unfairly Fixing the Prices of Purchasing and Selling of Goods and Services**

Unfairly fixing the prices of purchasing and selling of goods and services is an act of one or two or a group of enterprises who forces other business operators to purchase and sell goods and services at its preferred prices or determines the retail prices which compromise consumers' welfare.

#### **Article 33 Selling Goods and Services at below Production Costs and Selling Goods with poor Quality**

Selling goods and services at below production costs and selling goods with poor quality are the acts of one or two or a group of enterprises to fix the selling price of goods and services at below production costs and selling a poor quality of goods, thereby causing other competitors unable to compete in order to dominate and monopolize the market.



### **Article 34 Refusing to Sell Goods and Services to Customers**

Refusing to sell goods and services to customers is an act of one or two or a group of enterprises to refuse or discriminate the customers, consumers and other business operators, which is inconsistent with the laws and regulations.

### **Article 35 Imposing the Conditions of Tied Selling-Buying of Goods and Services**

Imposing conditions of tied selling-buying of goods and services is an act of one or two or a group of enterprises to impose the conditions for other business operators to sign a sale-purchase contract of goods and services or to force other business operators to perform other obligations that are not stipulated in the contract.

### **Article 36 Imposing the different Prices or Conditions of Purchasing and Selling the same Kind of Goods and Services**

Imposing the different prices or conditions of purchasing and selling the same kind of goods and services is an act of one or two or a group of enterprises to impose the different conditions on purchasing and selling the same kind of goods and services in the same market, which aims to create the inequality in business competition.

## **Section 3**

### **Combination aimed at Restraint of Competition**

#### **Article 37 Combination**

Combination is an agreement among business operators in the forms of merger, acquisition or transfer of the enterprises, and a joint venture.

#### **Article 38 Combination aimed at Restraint of Competition**

Combination aimed at restraint of competition is the combination which results in the following consequences:

1. Holding the market share in the relevant market over the threshold defined by the Competition Commission;
2. Restraining market access and the development of technology;
3. Creating a negative impact on consumers, other business operators and the national socio-economic development.

### **Article 39 Application of Combination**

All required documents for the combination of large enterprises shall be submitted to the Competition Commission for consideration. For small and medium enterprises, the submission of documents thereof shall be exempted but their combinations shall be notified to the Competition Commission.

### **Article 40 Documents for the application of Combination**

Documents for the application of combination are as follows:

1. The Application Form from the Competition Commission;
2. The copy of Enterprise Registration Certificate of each relevant enterprise;
3. The Financial Statement of the last two consecutive years of each relevant enterprise, which shall be certified by audit agency;
4. The Contract or Agreement of combination.

### **Article 41 Examination of Documents for the application of Combination**

The Competition Commission shall examine the documents for the application of combination within seven (7) days after receiving the documents. In case of the insufficient documentation or incorrect/incomplete information, the Commission shall notify the relevant enterprises in written and request the enterprises to provide the additional documents or improve the content to be sufficient and correct.

### **Article 42 Consideration of application of Combination**

After receiving the sufficient and correct documents of application of combination, the Competition Commission shall consider and notify the enterprises about approval or disapproval of the combination within thirty (30) days; In case of disapproval, the Commission shall notify the relevant enterprises in written together with explanation of such disapproval. In case of necessity, the consideration process of application of combination can be extended up to thirty (30) days with approval from the Minister of Industry and Commerce.

After the application of combination is approved, the relevant enterprises shall notify the Enterprise Registration Office and complete other processes required by the Law on Enterprise.

### **Article 43 Providing the Additional Information Relating to the Combination**

In the case of unclear or inaccurate information or documents for application of

combination, the Competition Commission may coordinate with relevant agencies who have the obligations to provide the additional information or documents.

#### **Article 44 Withdrawal of the Application of the Combination**

After submitting the application of the combination, the enterprises who would like to withdraw that application shall notify the Competition Commission on their decision of withdrawal.

### **Section 4 Exemption for the Restraint of Competition**

#### **Article 45 Exemption for the Agreement aimed at Restraint of Competition**

The agreement aimed at restraint of competition as stipulated in clauses 1, 2, 3, 4, 5 and 6 under article 21 of this Law can be considered for an exemption by the Lao Competition Committee on case by case basis, if such agreement provides benefits in promoting the advance of technologies and techniques, improves the quality of goods and services and strengthens the competitiveness of SMEs

#### **Article 46 Exemption for the Abuse of Dominant Market Position and Market Monopoly**

The Government can consider the exemption on case by case basis for the abuse of dominant market position and market monopoly practices as stipulated under article 31 of this Law, if those practices are contributing to the national socio-economic development or due to national strategy and security reasons, however, the exempted enterprises shall comply with the following Government's Administration and Regulations:

1. Management of the prices of goods and services;
2. Management of the quantity, market scope of goods or service;
3. Management of the production plans and the distribution of goods or services.

#### **Article 47 Exemption for Combination aimed at restraint of competition**

The Combination aimed at restraint of competition which may cause a consequent result as stipulated in clause 1 under article 38 of this Law may be exempted for the following reasons:

1. One or two or more enterprises involving in the combination aimed at restraint of competition is under the circumstance of bankruptcy;

2. The combination shall contribute to the growth of exports or foster the technological and technical development.

## **Part IV**

### **Lao Competition Commission**

#### **Article 48 Lao Competition Commission**

The Lao Competition Commission is the non-standing committee, performs in accordance with the laws and regulations, acts as advisor to the Government; is independent in terms of technical aspects and directly responsible for monitoring, inspecting and performing its mandated tasks in cooperation with relevant agencies and local authorities.

The abbreviation of Lao Competition Commission is “LCC”.

#### **Article 49 Personnel Structure of the LCC**

Personnel structure of the LCC consists of:

1. A Vice Minister of Industry and Commerce as Chairman and Standing Commissioner;
2. A representative of the Ministry of Finance, Vice Chairman;
3. A representative of the Ministry of Planning and Investment, Vice Chairman;
4. A representative of the Ministry of Agriculture and Forestry, Member;
5. A representative of the Ministry of Justice, Member;
6. A representative of the Ministry of Posts and Telecommunications, Member;
7. A representative of the National Economic Research Institute, Member;
8. A representative of the Institute of Finance and Banking, Member;
9. A representative of the Lao National Chamber of Commerce and Industry, Member;
10. A representative of the Lao Bar Association, Member;
11. Head of the Secretariat of the LCC, Member.

The LCC shall be appointed by the Prime Minister based on a recommendation of the Minister of Industry and Commerce.

The LCC shall have the Secretariat as its advisor located in the Ministry of Industry

and Commerce.

In case of necessity the Provincial Competition Commission (PCC) may be established.

### **Article 50 Rights and Duties of the LCC**

The LCC shall have the rights and duties as follows:

1. To consider and adopt plans, programmes and projects concerning the competition based on the proposal from its Secretariat;
2. To study, propose adoption of legislations concerning competition as well as advocate and disseminate such legislations;
3. To consider the combination;
4. To apply administrative measures against individuals, legal entities who breach this Law and the relevant regulations;
5. To issue orders, inspection decisions and apply measures against violators based on the decision of relevant agencies as stipulated in the Law on Criminal Procedure;
6. To submit criminal referral to the Office of the Public Prosecutor for prosecution in accordance with justice processes;
7. To collaborate and cooperate with foreign countries, regional and international organizations concerning the competition affairs;
8. To summarise and report its performances to the Minister of Industry and Commerce;
9. To perform other rights and duties in accordance with laws and regulations.

### **Article 51 The LCC Secretariat**

The LCC Secretariat is a body equivalent to Department level under the Ministry of Industry and Commerce, and acts as advisor to the LCC in administering competition activities.

The LCC Secretariat's organizational structure and activities shall be stipulated in the specific regulations.

### **Article 52 Competition Inspectors**

Competition Inspectors are the investigatory officials working under a supervision of the LCC Secretariat. The Inspectors shall be appointed and demoted by the Minister of Industry and Commerce based on the recommendation of the Chairman of the LCC.

Qualification requirements for competition inspectors shall be stipulated in the specific regulations.

### **Article 53 Rights and Duties of Competition Inspectors**

Competition inspectors shall have the rights and duties as follows:

1. To receive and record the reports, complaints and confessions on a violation of competition;
2. To carry out investigations and gather preliminary information on a violation of competition;
3. To seize and keep exhibits related to a violation of competition;
4. To inspect premises relating to a violation of competition;
5. To summarize and report on findings of preliminary inspection and gathering information to the LCC Secretariat;
6. To perform other rights and duties as stipulated in the relevant laws and regulations.

### **Article 54 Uniform, Logo, Identity Card of Competition Inspector and Budget of the LCC**

Competition inspectors shall have their own uniform, logo and identity card in performing their rights and duties.

To ensure effective and efficient performance of the LCC, the LCC shall have a budget allocated under the Annual Budget of the Ministry of Industry and Commerce.

## **Part V Prohibitions**

### **Article 55 General Prohibitions**

Individual, legal entity or organization is prohibited:

1. To use violence, to threaten or to impede competition inspectors from performing their duties;
2. To assist or protect any person who breaches laws and regulations relating to competition;
3. To act as a broker, to offer or receive a bribe for gaining benefit from competition;

4. To conduct any practice violating laws and regulations.

### **Article 56 Prohibitions for Business Operators**

Business operators are prohibited:

1. To undertake any practices aimed at unfair competition as stipulated in article 9 of this Law;
2. To undertake any practices aimed at restraint of competition as stipulated in articles 21 and 31 of this Law;
3. To deceive competition inspectors;
4. To conduct other practices violating laws and regulations.

### **Article 57 Prohibitions for the LCC**

The LCC is prohibited:

1. To disclose confidential information of individual(s), legal entities and organizations in relation to competition affairs under LCC's responsibilities without permission;
2. To hold a position or act as an advisor to individual(s), legal entities and organizations in doing business relating to competition;
3. To hold back and delay a process of documentations, to misuse a position power for the purpose of personal, group, family and relative interests;
4. To submit or provide false information related to unfair competition to concerned business operators;
5. To provide and use the received information relating to the consideration of competition in an unfair manner;
6. To conduct any other practices violating the relevant laws and regulations.

### **Article 58 Prohibitions for Competition Inspectors and Relevant Government Officials**

Competition inspectors and relevant government officials are prohibited:

1. To unfairly and illegally perform the duties which against laws and regulations;
2. To misuse a position power, rights and duties for the purpose of personal, group, family and relatives' interests;
3. To forge or use forged documents, disclose confidential information, delay or destroy documents relating to competition;

4. To conduct any other practices violating laws and regulations.

## **Part VI**

### **Settlement of the Competition Violation**

#### **Section 1**

### **Inspection of the Competition Violation**

#### **Article 59 Inspection of the Competition Violation**

Inspection of the competition violation is an inspection of concerned business operators in order to prevent and counter the competition violation as stipulated in this Law and other relevant regulations.

#### **Article 60 The Grounds for the Inspection**

The grounds for the inspection of the competition violation are as follows:

1. Receiving the report or complaint from any individual, legal entity, or organization relating to the competition violation;
2. Receiving the confession from the violator[s];
3. Finding out a clue/trace of the violation such as data and evidence relating to the unfair competition and the restraint of competition.

#### **Article 61 Report or Complaint**

Individuals, legal entities or organizations that found or knew about the competition violation shall report or complain in verbal or written forms to the Secretariat of the LCC in order to conduct the inspection as stipulated in article 64 of this Law.

#### **Article 62 Confession of Violator[s]**

The confession of violator[s] is the report of any person on the competition violation to the Secretariat of the LCC voluntarily.

The officials who receive the confession of the violator[s] shall record the confession and report to the LCC.

The confessor[s] shall be granted the leniency in accordance with the relevant laws and regulations.



### **Article 63 Finding out a Trace of the Competition Violation**

When competition inspectors have found any trace or evidence which demonstrates the elements of the competition violation, they shall gather preliminary information and record the situation and report to the LCC for considering of issuing an inspection order.

### **Article 64 Inspection Procedure**

The inspection occurred due to any grounds as stipulated in article 60 of this Law shall be proceeded as follows:

1. Gathering preliminary information;
2. Issuing an inspection order;
3. Interrogating;
4. Searching, seizing or sequestering materials or documents;
5. Applying preventative measures;
6. Summarizing and reporting on findings of the inspection.

### **Article 65 Gathering Preliminary Information**

Any grounds occurred as stipulated in article 60 of this Law, the competition inspectors shall gather preliminary information about the competition violation and report to the LCC for considering of issuing an inspection order.

In case of the preliminary information gathered indicates a criminal offence, the competition inspectors shall report to the LCC and lodge information and evidence to criminal prosecution authorities.

In the case of the preliminary information gathered indicates that there is no evidence concerning competition violation, the competition inspectors shall report to the LCC for considering of issuing an order to stop the inspection.

### **Article 66 Issuing an Inspection Order**

After receiving a report containing information and evidence on the competition violation, the LCC shall consider to issue an inspection order.

In case of unclear or insufficient information and evidence, the LCC shall order the competition inspectors to gather additional information.

## **Article 67 Interrogation**

Once the LCC issued the inspection order, the competition inspectors shall have the rights to summon violator[s], suspect[s] or other related persons for interrogation about the competition violation.

Every interrogation shall be recorded as stipulated in the Law on Criminal Procedure.

## **Article 68 Searching, Seizing or Sequestering Materials or Documents**

The search can be conducted only after the President of Office of the Public Prosecutor issued the Search Warrant in accordance with a request of the LCC; however, in case of a confrontation or urgent circumstance the search can be conducted and the competition inspectors shall report to the Office of the Public Prosecutor within twenty-four hours after completing the search.

In case of finding materials or documents relating to the competition violation, the competition inspectors shall have the rights to seize or sequester such materials or documents and report to the LCC and the Office of the Public Prosecutor within twenty-four hours after seizing and sequestering.

Seizing or sequestering materials or documents shall be clearly recorded with the indication of date; time; inspected site; names and surnames, positions of competition inspectors who conducted the inspection; details of materials or documents seized or sequestered. After completing the record(s), the record(s) must be read out, signed or fingerprinted by all participants.

## **Article 69 Applying Interim Measures**

During the inspection of the competition violation, when it is necessary for applying interim measures, while waiting for a decision from the LCC or Court, the LCC shall have the rights to propose to the Office of the Public Prosecutor or the People's Court for consideration of applying the interim measures.

## **Article 70 Summarizing and Reporting on Findings of the Inspection**

After completing the inspection, competition inspectors shall report the findings of the inspection as well as submit all gathered information and evidence to the LCC in order to consider on case by case basis.

The report shall be clearly identified the practices of the competition violation and details of the violations, as well as propose means of settlement.

## **Article 71 Timeframes for Inspection**

The timeframes for inspection of the competition violation shall be determined as follows:

1. Inspection of the unfair competition shall be completed within ninety (90) days after the date of issuing the inspection order. In case the inspection is incomplete, the competition inspectors shall be able to propose to the LCC to extend the inspection period up to sixty (60) days;

2. Inspection of the restraint of the competition shall be completed within one hundred and fifty (150) days after the date of issuing the inspection order. In case the inspection is incomplete, the competition inspectors shall be able to propose to the LCC to extend the inspection period up to ninety (90) days.

## **Section 2 Settlement of the Competition Violation**

### **Article 72 Settlement of the Competition Violation**

After receiving the summarizing and reporting on findings of the inspection regarding the competition violation, the LCC shall take actions as follows:

1. Issuing an order to apply the administrative measure;
2. Issuing an order to conduct additional inspection;
3. Compiling criminal referral;
4. Issuing the Decision to cease the settlement.

### **Article 73 Issuing an order to apply the administrative measure**

In case the competition violation is administrative violation, the LCC shall issue an order to apply the administrative measures against violators on case by case basis within fifteen (15) days such as education, warning, disciplinary measures and fine.

### **Article 74 Issuing an order to conduct additional inspection**

In case information and evidence gathered are not enough and insufficient the LCC shall issue an order for competition inspectors to conduct an additional inspection within ten (10) days.

After receiving the order for conducting an additional inspection, the competition inspectors shall complete the inspection for the unfair competition within thirty (30) days; and for restraint of the competition within sixty (60) days.

#### **Article 75 Compiling Criminal Referral**

In case competition violation is, proved with strong evidence, the criminal offence, the LCC shall compile criminal referral including all information and exhibits, then submit to the relevant Office of the Public Prosecutor in order to prosecute as stipulated in the Law on Criminal Procedure.

#### **Article 76 Issuing the Decision to cease the settlement**

The LCC shall have the rights to issue the Decision to cease the settlement of the competition violation within ten (10) days from the date of issuing the decision based on one of the followings:

1. No evidence indicating the competition violation;
2. When there is the confession and agreed for compensation from the violator and the complainants or damaged person(s) agreed to end the case;
3. When there is the confession and agreed for compensation from the violator according to the decision of the LCC.

After issuing decision to cease the settlement of the competition violation due to any above-mentioned cases, the LCC shall distribute such decision to the inspected person, complainant, reporter, damaged person and other relevant parties.

#### **Article 77 Claiming for Civil Compensation**

The damaged persons due to the competition violation shall have the rights to complain to the court in order to claim for civil compensation as stipulated in the relevant laws and regulations.

### **Part VII**

## **Administration and Inspection of the Competition Activities**

### **Section 1**

## **Administration of the Competition Activities**

## **Article 78 Competition Administration Authority**

The Government shall centrally and uniformly administer the competition activities nationwide, by delegating to the Industry and Commerce sector to take main responsibility and collaborate with other sectors such as Finance, Planning and Investment, Agriculture and Forestry, Justice, Posts and Telecommunications and others, and relevant local Administrations.

The Competition Administration Authority consists of:

1. Ministry of Industry and Commerce;
2. Industry and Commerce Office at (State) Capital and Provincial levels;
3. Industry and Commerce Offices at District and Municipality levels.

## **Article 79 Rights and Duties of the Ministry of Industry and Commerce**

The Ministry of Industry and Commerce shall have the rights and duties to administer the competition activities in accordance with its responsibilities as follows:

1. Drafting policies, strategic plans and laws relating to competition activities in order to propose to the Government for consideration;
2. Executing policies, strategic plans and laws relating to the competition activities into plans, action plans and projects, as well as directing, monitoring, supporting the effective implementation;
3. Advocating, disseminating policies, laws, strategic plans and action plans relating to the competition activities to society;
4. Issuing decisions, orders and instructions relating to competition activities;
5. Enhancing, training, educating and improving knowledge of technical officials relating to the competition issues;
6. Cooperating and coordinating with foreign countries, regional, international organizations relating to the competition activities;
7. Summarizing and reporting the competition activities to the Government regularly;
8. Performing rights and other duties in accordance with the laws and regulations.

## **Article 80 Rights and Duties of Industry and Commerce Office at (State) Capital and Provincial Levels**

Industry and Commerce Office at (State) Capital and Provincial levels shall have the rights and duties to administer the competition activities in accordance with its responsibilities as follows:

1. Executing and implementing policies, strategic plans, laws, regulations, action

plans relating to the competition activities;

2. Advocating and disseminating policies, laws, strategic plans, and action plans relating to the business competition activities to the society;

3. Facilitating and cooperating with the competition inspectors in implementing the competition activities;

4. Receiving recommendations and reporting relating to the competition activities from public and other relevant sectors in order to report to supervisory levels for consideration;

5. Cooperating with foreign countries, regional, international organizations relating to the competition activities as assigned;

6. Summarizing and reporting the results of implementation of competition activities to supervisory levels regularly;

7. Performing rights and other duties in accordance with laws and regulations or as assigned.

### **Article 81 Rights and Duties of Industry and Commerce Offices at District and Municipality Levels**

Industry and Commerce Offices at District and Municipality levels shall have the rights and duties as follows:

1. Implementing plans, decisions, orders, instructions relating to the competition activities of supervisory levels;

2. Disseminating the laws and regulations relating to the competition activities, educating and raising awareness to all sectors in the society to understand the competition activities within districts and municipalities;

3. Directing, monitoring, encouraging the implementation of competition activities within districts and municipalities effectively;

4. Receiving recommendations and reporting relating to the competition activities from public and other relevant sectors in order to report to supervisory levels for consideration;

5. Summarizing and reporting the results of the implementation of competition activities to supervisory levels regularly;

6. Performing rights and other duties in accordance with laws and regulations or as assigned.

## **Article 82 Rights and Duties of other Sectors and Local Administrations**

The Finance, Public Works and Transport, Public Health, Education and Sports, Agriculture and Forestry, Posts and Telecommunications, Science and Technology, Energy and Mines sectors, the Bank of Lao PDR, other sectors, relevant organizations and local administrations shall have the rights and duties to administer the competition activities, cooperate and coordinate with the Industry and Commerce sector in accordance with their roles and responsibilities.

## **Section 2 Inspection of the Competition Activities**

### **Article 83 Competition Inspection Authority**

Competition Inspection Authorities are

1. The Internal Inspection Authority, which is the Competition Administration Authority as stipulated in article 78 of this Law;
2. The External Inspection Authorities, which are the National Assembly, the State Inspection Authority, the State Audit Organization, the Lao Front for National Construction, Mass Organizations and Media to inspect the implementation of competition activities in accordance with their roles, rights and duties.

### **Article 84 Contents of Competition Inspection**

The main contents of competition inspections are as follows:

1. The implementation of policies, strategic plans and laws and regulations relating to competition activities;
2. The organizational structures and performance of the LCC and the Competition Administration Authority;
3. The responsibilities, practices and the working procedures of officials and the competition inspectors.

### **Article 85 Types of Competition Inspection**

Types of competition inspections are as follows:

1. The regular inspection is an inspection which is carried out according to plans and at specific time;
2. The inspection following an advance notice is an ad hoc inspection deemed as necessary and shall notify the inspected parties at least twenty-four hours in advance;

3. Dawn raids inspection is an ad hoc inspection deemed as urgent and shall not be notify the inspected parties in advance.

Each time of competition inspection, documents and premises shall be inspected and the relevant laws and regulations must be followed strictly.

## **Part VIII**

### **Reward for Persons with the Outstanding Achievement and Measures against Violators**

#### **Article 86 Reward for Persons with the Outstanding Achievement**

Individuals, legal entities or organizations with the outstanding achievement in the enforcement of this Law such as providing information, reporting the competition violation shall be praised or granted other benefits according to regulations.

#### **Article 87 Measures against Violators**

Individuals, legal entities or organizations violating the Competition Law shall be educated, warned, disciplined, fined, subject to compensate for the damages or punished by relevant laws depending on the gravity of the violation.

#### **Article 88 Education Measures**

Individuals, legal entities or organizations violating the laws and regulations relating to competition, particularly the prohibitions as stipulated in this Law, deemed as a minor violation and first-time of violation which is the non-criminal offence shall be educated and warned.

#### **Article 89 Disciplinary Measures**

Competition inspectors and relevant government officials who violated this Law such as non-criminal prohibition, causing minor damages and dishonestly reporting and avoiding their offences shall be punished with the disciplinary measures as follows:

1. Shall be criticized, warned about the violation in accordance with regulations and record such offence in their biographical files;
2. Shall be suspended from receiving any promotion, salary level and praises;
3. Shall be demoted or shuffled to a lower-level position;
4. Shall be dismissed from civil service without receiving any welfares.

The disciplined person must return all properties acquired illegally to the relevant organization[s].



### **Article 90 Fine Measures**

Individuals, legal entities or organizations violating this Law, particularly the prohibitions which deemed as non-criminal offence shall be fined.

The level of fines shall be stipulated in specific regulations.

### **Article 91 Civil Measures**

Individuals, legal entities or organizations violating the prohibitions under this Law which cause damages to other persons shall compensate for the actual caused damages.

### **Article 92 Criminal Measures**

Individuals violating this Law which constituted as the criminal offence shall be punished in accordance with the Penal Law or other laws that provide criminal liability.

### **Article 93 Additional Penalty Measures**

In addition to measures against violators as stipulated in article 92 of this Law, the violator shall be subject to additional penalty measures such as suspension or withdrawal of an Enterprise Registration Certificate.

## **Part IX Final Provisions**

### **Article 94 Implementation**

The Government of the Lao People's Democratic Republic shall implement this Law.

### **Article 95 Effectiveness**

This Law enters into force from the date of the promulgating decree signed by the President of the Lao People's Democratic Republic and after fifteen days of the notification of this Law in the Official Gazette.

Any provisions and regulations that conflict with this Law shall be abrogated.

**President of the National Assembly**

*[Signature and Seal]*

**Pany YATHOTOU**