

Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

Government

Ref. No. .... /GOVT

Vientiane Capital, dated: .....2014

## **Draft Decree on Association and Foundation**

- In pursuant to the Constitution of Lao PDR, dated 6 May 2003;
- In pursuant to the law on the government of Lao PDR No. 02 / NA, dated 6 May 2003;
- In pursuant to the request letter of Minister of Home Affairs No. / MOHA, dated April 2013.

**Government Issued the Decree:**

### **Section 1**

#### **General Provisions**

#### **Article 1. Objectives**

This decree defines the principles, rules, and measures on the establishment, functionality and management of the Association and Foundation in order to serve as the reference for the establishment of the Lao citizens' Association and Foundation, Government organizations' management, monitoring and supports of the Association and Foundation to ensure they operate in accordance with the laws and regulations and contribute to social assistance and people's poverty eradication.

#### **Article 2: Association and Foundation**

**Association** is the organization with members, established in voluntary basis with regular movements and non - profit.

**Foundation** is the Civil Society with funds and assets for public benefits such as culture, education, environment, public health, sport, science, charity, humanity, and others, established in voluntary basis with regular movements and non - profit.

#### **Article 3: Definitions of Terms**

1. **Association**, in this Decree, covers the association union, federation, club or other names those called, which is the civil society with members.

2. **Non Profit** refers to the assets and incomes obtained from the operations of the association and Foundation, which after the deduction of the administrative costs, the rest of them will not be divided, but they will be used in the purposed stated in the association's and Foundation' regulations.

3. **Association Union and Federation** refers to the gathering of the civil society with members who have officially been established and operated in the same area or sector with voluntary basis and mutual agreement in order to propose the government organization for establishment.

4. **Club** refers to the civil society by gathering of the individual members or juristic members which have officially been established with the same professionals or operations in the same area and sector with voluntary basis and mutual agreement in order to propose the government organization for establishment.

5. **Association and Foundation** with juristic person status refer to the Association and Foundation received establishment approval in accordance with this Decree.

6. **Funds** refer to the money or assets.

7. **Assets** refer to the buildings, land, vehicles, equipment and materials obtained from purchasing, hiring, servicing from and contributing of the individual, juristic persons, granting by the domestic and international organizations.

8. **Donation of Funds and Assets** refer to the giving of and transferring of funds and assets of the individuals, juristic persons, and organizations to the association and Foundation in accordance with the laws and regulations.

9. **Fund and Assets Mobilization** refer to the organizing the specific meetings or events in persuading the individuals, juristic persons, and organizations to donate and support the funds and assets to the association and Foundation.

10. **Independent Audit Organization** refers to the external audit organization running by the audit enterprise or independent auditors with legally registering of independent audit operation and enterprise registration.

#### **Article 4. Government Policy on the Association and Foundation**

Government has the policy on the association and Foundation as follows:

1. Allow the association and Foundation to do the public services, social assistance, and people's poverty alleviation.
2. Allowed them to receive the money and assets donation from the individuals, juristic persons, and the organizations both in domestic and international based on the laws and regulations.
3. Allow them to have coordination and cooperation with the international organizations to implement the programs, the support and assistance projects based on the association' and Foundation' rules and the laws and regulations.
4. Provide advices and assistances though the ministries, organizations, divisions, and local authorities in order to make the association and Foundation operating in

effective manner, in accordance with the Party's policy and State's laws and regulations.

5. Issue the legislations for the association and Foundation to use as the reference for their operations.

**Article 5: Scope of Use**

This decree is used only with the association and Foundation those having Lao citizenship's juristic person status.

**Article 6. Principles on the Establishment and Functionality of the Association and Foundation**

The association and Foundation are established and functioned with following principles:

1. Voluntarily to establish, contribute to funds, participate in the movements or leave the association and Foundation without limitation or force by anybody.
2. Function in regular basis.
3. Manage and be responsible for its movement in presence of the laws.
4. Self sufficient on the financial aspect.
5. Function with non profit.
6. Transparent, open, and equal.

**Article 7. Conditions for Establishment of the Association and Foundation**

Establishment of the association and foundation must meet following requirements:

**7.1 General Requirements**

1. It must have objectives, clear determination of the functional areas, not in conflict with the constitution, laws and nation's good traditions and cultures, social orderliness, and other people's freedom of rights.
2. It must have at least 3 people in the board of committee.
3. The initiator, the board of initiators, the mobilizing committee for establishment, the management team, the inspection committee, the director or the administrative office must be Lao citizen with the age 18 years or above and he/she must not be insane.
4. The name of the establishing association or foundation must not be duplicated with other association or foundation name which was legally approved to establish before in the same locale. The name must be in Lao language, clear, easy to

understand, not offensive, and it can be translated to foreign language(s), if necessary.

5. The office of the Association and Foundation must be available locating in Lao PDR with the certification from the village authority where the association's office located, and it must have the legal title certificate or the rent contract.

6. The rules of the association must be available in the forms issuing by the officials.

## **7.2 Specific Requirements**

### **7.2.1 Association**

1. It must at least have three people in the mobilizing committee for establishment which the initiator of the association establishment must name them, while one of such three persons of the mobilizing committee must have the technical certificate or work experience certificate in any field relating to the association's movement objectives.

2. Number of members voluntarily registered in the movement of the association must be complete as determined as follows:

- The association with the operations in the national level must have at least 25 members;
- The association with the operations in the provincial or capital level must have at least 15 members;
- The association with the operations in the district, municipality or village level must have at least 10 members.

For the association with operations within an area, sector, occupation or the local level with special nature, the number of members must be considered case by case.

### **7.2.2 Foundation**

1. It must at least has the funds and assets as follows:

- 100,000,000 kip for the foundation operating in national level;
- 50,000,000 kip for the foundation operating in provincial or capital level;
- 20,000,000 for the foundation operating in district, municipality or village level.

2. It must have the correct proof of such funds and assets.

## **Section 2**

### **Operational Level of the Association and Foundation**

#### **Article 8. Operational Levels of the Association**

The association and Foundation are classified into 3 levels as follows:

1. Operational level throughout the country;
2. Operational level within the province or capital;
3. Operational level within district or municipality or village.

**Article 9. The Association and Foundation Operating in National Level**

The association and Foundation operating in national level are those association and Foundation approved to establish and operate nationwide or any region of the country covering many provinces and capital.

**Article 10. The Association and Foundation Operating in Provincial or Capital Level**

The association and Foundation operating in provincial or capital level are those association and Foundation approved to establish and operate within any province or capital.

**Article 11. The Association and Foundation Operating in District or Municipality or Village Level**

The association and Foundation operating in district, municipality or village level are those association and Foundation approved to establish and operate within any district or municipality or village.

**Section 3**

**Approval Seeking Procedures for the Establishment of Association and Foundation**

**Article 12. Approval Seeking Procedures for the Establishment of Association**

**12.1 Approval Seeking Procedures for the Establishment of Association**

Approval seeking procedures for the establishment of association divides into three steps as follows:

1. Propose to approve the nomination of the association's mobilizing committee;
2. Propose to open the association's establishment meeting;
3. Propose to approve the association's regulations and Executive Committee (Ex. Com.) (officially approve for establishment).

**12.2 Approval Seeking Procedures for the Establishment of Foundation**

Approval seeking procedures for the establishment of foundation has one steps i.e. the request to approve the foundation's regulations and Ex. Com.

**Article 13. Requesting to Approve the Nomination of the Mobilizing Committee for Establishment of the Association**

The initiator of the association establishment nominated at least 3 names of the mobilizing committee and completed the following documentations for presenting

to the Ministry of Home Affairs (MOHA), province, capital for consideration and endorsement:

1. The request letter for endorsement of the mobilizing committee for the establishment of association;
2. Copy of the family book or copy of ID card of each person;
3. Biography through the verification of the Ministry of Public Security (MPS) or Provincial or Capital Public Security Department;
4. Resident Certificate;
5. Penalty Declaration Letter;
6. Technical Certificate or Work Experience Certificate in any field relating to the association's operational objectives.

**Article 14. Request to Open the Association Establishment Meeting**

**14.1 Documentations in Requesting to Open the Association Establishment Meeting**

The mobilizing committee of association establishment completes documentations for presenting to MOHA, provincial or capital authority to consider as follows:

1. Request letter to open the association establishment meeting;
2. The agreement letter to establish the association from the relevant ministry(ies), authority(ies);
3. Association's draft regulation;
4. Association's operational plan;
5. Resident certificate, penalty declaration letter, copy of family book, and copy of ID card of the Ex. Com.'s candidates;
6. Biography of each candidate in the Ex. Com. through the verification of the Ministry of Public Security (MPS) or Provincial or Capital Public Security Department;
7. List of the candidates applying for the association's members;
8. Office document with the certification of the village authority where the office located and the association's office sketch map.

**14.2 Conducting the Association Establishment Meeting**

After receive the approval for opening of the association establishment meeting, the association's mobilizing committee will prepare and organize the association's mobilizing meeting within ninety days from the effective date of the approval agreement for opening of the association establishment meeting.

The association establishment meeting opens to gather the association's member applicants with at least two third of all applicants in order to carry out the meeting's agenda as follows:

1. Read the agreement on the approval of the association establishment meeting;
2. Present the association's draft regulation(s);
3. Elect the Ex. Com., association's inspection committee or inspector(s) and other position(s) necessary to the association;
4. Present the association's action plan;
5. Present the meeting resolution on the association establishment.

When the meeting elected the association's Ex. Com., the association's mobilizing committee is automatically dissolved.

In the event that the mobilizing committee cannot open the association establishment within ninety days of timeframe, the mobilizing committee must request to extend the time with informing its reasons to the authorized organization in written for consideration.

**Article 15. Request to Endorse the Regulations and Ex. Com. of the Association and Foundation**

**15.1 Request to Endorse the Association's Regulations and Ex. Com.**

Within thirty days after completion of the association establishment meeting, the association's Ex. Com. must complete following documentations and present to MOHA, provincial or capital authority for consideration:

1. Request letter to endorse the association's regulation(s) and Ex. Com.;
2. Minute on the presentation of the draft regulation(s), election of the Ex. Com. and inspection committee;
3. Meeting's resolution;
4. The association's draft regulation(s), the version presented in the association establishment meeting;
5. Registration lists of the meeting attendants;
6. The latest list of the association members;
7. Office document with the certification of the village authority where the office located and the association's office sketch map (in case of there is any change on this).

**15.2 Request to Endorse the Foundation's Regulations and Ex. Com.**

The initiator or the initiator committee of the foundation establishment must complete following documentations and present to MOHA, provincial or capital authority for consideration:

1. Request letter to endorse the foundation's regulation(s) and Ex. Com.;
2. Agreement document on the establishment of the relevant ministry(ies), authority(ies);
3. Draft regulation(s) the version verified and agree by the relevant ministry(ies), authority(ies);
4. Biography of the initiator or each initiator committee, foundation's each Ex. Com. through the verification of the Ministry of Public Security (MPS) or Provincial or Capital Public Security Department;
5. Resident certificate and penalty declaration letter of the initiator or each initiator committee, foundation's each Ex. Com.;
6. Justification of the foundation's establishment and functionality;
7. Commitment letter(s) on the donations or contributions of funds, assets of the individual, juristic person, or organization for the establishment of foundation and the reliable financial certificate(s) from the bank(s), or the certificate(s) of funds, assets in according to the will, in according to the delegation letter (power of attorney) of the individual, juristic person or organization given for the establishment of foundation.
8. Office document with the certification of the village authority where the office located and the foundation's office sketch map.

#### **Section 4**

### **Consideration Procedures for Approving the Establishment of Association and Foundation**

**Article 16. Consideration Procedures for Approving the Establishment of Association and Foundation**

#### **16.1 Consideration Procedures for Approving the Establishment of Association**

Consideration Procedures for Approving the Establishment of Association divided into three steps as follows:

1. Consider to approve the nomination or reject the nomination of the association's mobilizing committee;
2. Consider to approve the opening or reject the opening of the association's establishment meeting;
3. Consider to approve or reject the association's regulations and Ex Com.

#### **16.2 Consideration for Approving the Establishment of Foundation**



Consideration for approving the establishment of foundation has one step i.e. the consideration to endorse the foundation's regulation(s) and Ex. Com..

**Article 17. Consideration to Approve the Nomination or Reject the Nomination of the Association's Mobilizing Committee**

When MOHA, province or capital receives the complete documentations as stated in Article 13 of this Decree, MOHA province or capital considers to approve or reject the nomination of the association's mobilizing committee within fifteen days.

**Article 18. Consider to Approve the Opening or Reject the Opening of the Association's Establishment Meeting**

When MOHA, province or capital receives the complete documentations as stated in Article 14 (14.1) of this Decree, it will give consideration to approve the opening of establishment meeting or reject the opening of the establishment meeting of the association within fifteen days.

In the event that the postponement request on the opening of association establishment meeting was received from the establishment mobilizing committee, the authorized authority can consider to postpone the opening of the association establishment meeting, but it should not be exceeded 60 days.

**Article 19. Consideration to Approve or Reject the Association's and Foundation's Regulation(s) and Ex. Com.**

**19.1 Consideration to Approve or Reject the Association's Regulation(s) and Ex. Com.**

When MOHA, province or capital receives the complete documentations as stated in Article 16 (16.1) of this Decree, it will give consideration to approve or reject the association's regulation(s) and Ex. Com. within fifteen days.

**19.2 Consideration to Approve or Reject the Foundation's Regulation(s) and Ex. Com.**

When MOHA, province or capital receives the complete documentations as stated in Article 16 (16.1) of this Decree, it will give consideration to approve or reject the foundation's regulation(s) and Ex. Com. within fifteen days.

**Article 20. Officially Establishment and Functionality of the Association and Foundation**

The association and foundation will be officially established, functioned and in juristic person status from the effective date of the agreement of MOHA, province or capital endorsing the association's and foundation's regulation(s) and Ex. Com.

**Section 5**

**Location, Roles, Rights, Obligations, and Restrictions of the Association and Foundation**

**Article 21. Location and Roles of the Association and Foundation**

The association and foundation are the civil society, which their roles are to gather the unity, mutual assistances among the members, social assistance, contributing to the nation's construction, development and poverty eradication.

**Article 22. Rights and Functions of the Association and Foundation**

The association and Foundation have the rights and functions as follows:

1. Operate in accordance with the Party's policy, government's socio - economic development plan, state's laws, and its regulation(s);
2. Coordinate with the Ministries, Provincial Departments, District Offices in relating to the operational areas and sectors of the association and foundation in planning and implementing of its works in the local areas.
3. Regular report its operations and financial incomes - expenses to the authorized authority(ies) and financial sector once a year or as required when it is necessary;
4. Mobilize and accept the supports, assistances, donations of funds, assets from the individuals, juristic persons both domestically and internationally based on the laws and regulations;
5. Provide supports on culture, education, environment, public health, sports, science, charity, humanitarian, or other public benefits;
6. Consider to accept new members or dismiss the members (for association only);
7. Exercise other rights and functions as defined in the laws and regulations.

**Article 23. Association's and Foundation's Obligations**

1. Annually report to the authorized authority(ies) for establishment and the government's relevant authority(ies) regarding its organization, work operations, incomes - expenses, and budget;
2. Operate within the scope, any sector must be under such government's sector and scope;
3. Fund and assets raisings or acceptance of donations and assistances from the individuals, juristic persons, domestic and international organizations must be accordant with the association's and foundation's objectives and based on the laws and regulations;
4. Using of all funds and assets raised by the association and foundation must be in accordance with the association's and foundation's objectives and targets;
5. Strictly follow the laws and regulations on the accounting, auditing, and the association' and foundation's regulation(s);
6. Implement other obligations as defined in the laws and regulations.

**Article 24. Association's and Foundation's Restrictions**

The association and foundation are prohibited from following functionalities:

1. Exploit the freedom on the association and foundation establishment or on behalf of the association or foundation to move against the constitution and the laws and regulations;
2. Operate in the way to harm the nation's stability, security, and social orderliness, other people's freedom, and good traditions of the nation, locale and ethnic groups;
3. Operate in the way leading to segregate the solidarity in the nation, locale, and ethnic groups;
4. Destroy the benefits of the nation, collectives and individuals;
5. Falsify, transfer, lease, lend the license of the association and foundation establishment in any way;
6. Support the violence and any other movements against the laws and regulations.

**Section 6**

**Association's and Foundation's Organizational Structure**

**Article 25. Association's and Foundation's Organizational Structure**

Association's and Foundation's Organizational Structure consists of the administrative office which is a standing administrative unit of the association and foundation. It has the roles in assisting the association's and foundation's Ex. Com in management, control, and facilitating the association's and foundation's works. In addition, there are other technical units in according to the association's and foundation's roles, functions, and defined regulations.

**Article 26. Association's and Foundation's Personnel Composition**

Association's and foundation's personnel composition comprises of:

- Ex. Com. (Chair, Vice Chair, and Committee);
- Inspection Committee (or inspector);
- Director or Head of Administrative Office;
- Members (for association only);
- Personnel in other position as defined in the association's and foundation's regulation(s).

**Section 7**

**Roles, Rights, and Functions of the Association's and Foundation's Chair, Vice Chair**

**Article 27. Roles of the Association's and Foundation's Ex. Com.**

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Association's Ex. Com. is a committee consisting of three people or more, which they are elected by Common Members in the association's general meeting. It has the to supervise on all the association's operations and key issue decision.

Foundation's Ex. Com is as committee consisting of three people or more with the request of the initiator or establishment initiator committee or the foundation's Ex. Com., which it has the roles to supervise on all the foundation's operations and key issue decision.

**Article 28. Rights and Functions of the Association's and Foundation's Ex. Com.**

The Association's and Foundation's Ex. Com. has following main rights and functions:

1. Agree on the necessary measures to perform the association's and foundation's objectives;
2. Consider to agree on the association' and foundation's action plan, annual budget plan, determination of income sources and expenses;
3. Consider to agree on the organizational structure, appointment or sacking of the chair, vice chair, director of head of the administrative office, standing committee (if any), technical units under the association and foundation;
4. Consider to agree on the appointment of inspection committee (for the foundation only);
5. Facilitate, control the operations of the standing committee and organizations under the association and foundation;
6. Exercise other rights and functions as defined in the association's regulation(s).

**Article 29. Roles of the Association's and Foundation's Chair**

The association's and foundation's chair has the role on supervising the implementation of the association's and foundation's resolutions, as well as being the chair of the association's and foundation's meetings.

**Article 30. Rights and Functions of the Association's and Foundation's Chair**

The Association's and Foundation's Chair has following rights and functions:

1. Supervise on the study of necessary measures to implement the association's and foundation's objectives;
2. Supervise the association's and foundation's planning process on action plan, income and expenditure plan;
3. Appoint or sack the director of head of the administrative office, standing committee (if any), technical units under the association and foundation as per the agreement of the Ex. Com.

4. Appoint the inspection committee as per the agreement of the Ex. Com. (for the foundation only).

5. Regular report its operations to the authorized authority(ies) for establishment;

6. Exercise other rights and functions as defined in the association's and foundation's regulation(s).

## **Section 8**

### **Roles, Rights and Functions of the Association's and Foundation's Inspection Committee**

#### **Article 31. Roles of the Association's and Foundation's Inspection Committee**

The association's inspection committee is a committee elected by the general members in the association's general meeting. It has the roles in monitoring all the association's operations and administrations of the Ex. Com. to ensure the correctness in accordance with the association's regulation(s) and state's laws.

The foundation's inspection committee is a committee elected by the foundation's Ex. Com. It has the roles to assist the Ex. Com. in monitoring all the foundation's operation to ensure correctness in accordance with the association's regulation(s) and state's laws.

#### **Article 32. Rights and Functions of the Association's and Foundation's Inspection Committee**

The inspection committee has the main rights and functions as follows:

1. Regular carry out the inspection and inspect in the event of the violation of the association's and foundation's regulation(s) or operational procedures;
2. Inspect the outreach and implementation of the association's and foundation's objectives and meeting's resolutions;
3. Inspect the association's and foundation's management, expenditures and assets;
4. Consider to resolve the association members' request within its rights;
5. Exercise other rights and functions as defined in the association's and foundation's regulation(s).

## **Section 9**

### **Roles, Rights and Functions of the Association's and Foundation's Director or Head of the Administrative Office**

#### **Article 33. Roles of the Director or Head of the Administrative Office**

The association's and foundation's director or head of the administrative office is the assistant to the association's and foundation's chair, who is appointed by the association's and foundation's chair with the agreement of the association's and foundation's Ex. Com. He/she has the role in the association's and foundation's daily work operations.

#### **Article 34. Rights and Functions of the Director or Head of the Administrative Office**

The association's and foundation's director or head of the administrative office has the rights and functions as follows:

1. Prepare the contents and documents for the Ex. Com. meeting or standing committee meeting (if any);
2. Provide comments and recommendations to the association's and foundation's chair and vice chair on any issues;
3. Prepare the monthly, quarterly, bi - annually and annually reports for reporting to the Ex. Com. or the government's relevant authorities;
4. Create the conditions, facilitate the necessary aspects for the association's and foundation's work operations, the Ex. Com., the association's and foundation's chair and vice chair;
5. Involve and coordinate with other associations and foundations, government's relevant authorities on behalf of the association and foundation;
6. Exercise other rights and functions as defined in the association's and foundation's regulation(s).

## **Section 10**

### **Association's Members**

#### **Article 35. Association's Members**

The association's members consists of the Common Members. In addition, based on the situation, conditions, and each association's necessity, it may have the honorary members, but it must define in its regulation(s).

#### **Article 36. Common Members**

A common member is an organization or Lao citizen who agrees with the association's regulation(s), voluntary enter into the association, qualify and meet the general requirement of the members in according to the association's regulation(s).

The common member's rights and obligations, consideration to accept or dismissal from the common members must follow the association's regulation(s).

#### **Article 37. Honorary Members**

The honorary member is the organization representative or a Lao citizen who has the role, is senior and respected in the society, he/she had ever contributed to the association and the association invited him/her to be the honorary member.

#### **Article 38. Advertisement for Member Expansion**

The association's advertisement for member expansion must notify in written to the association's authorized authority for establishment and local authorities at least seven days in advance.

## **Section 11**

### **Association's and Foundation's Meetings**

#### **Article 39. Association's and Foundation's Types of Meetings**

The association's and foundation's meetings consist of:

1. General meeting (for association only);
2. Annual meeting;
3. Ex. Com. meeting;

#### **Article 40. Association's General Meeting**

The association's general meeting is the association's highest leading authority. It opens in the form of general meeting for the members or the general meeting for the members' representatives in according the association's regulation(s).

The association's general meeting opens as defined in the association's regulations, but it must not be more than five years from the end of last general meeting. In the event that the general meeting cannot be opened, the association's chair must present the reasons in written asking for postponement of the general meeting to the authorized authority for acknowledgement.

The association can open its irregular meeting, when it is deemed necessary and urgent for the association's work operations or there are more than half of all common members or the two third of the Ex. Com. members requested to open the irregular meeting.

Before opening of the association's general meeting, the Ex. Com. must inform in written on the contents and person to chair or the vice chair of the Ex. Com. of the association to the authorized authority for establishment thirty days in advance before the opening date of general meeting. After completion of its general meeting, the meeting's result must be reported to the authorized authorities and government's relevant authorities no later than thirty days.

#### **Article 41. Association's and Foundation's Annual Meeting**

The association's and foundation's annual meeting is a meeting to summarize the association's and foundation's operational achievements in one previous year, present the action plan in the following year, appreciate the outstanding persons in the work operation, and the association's and foundation's other issues.

The association and foundation must submit the annual report to the authorized authorities for establishment and the government's relevant authorities for information before 15th December of each year.

Regulations, meeting advisory for the meeting, and annual meeting attendance must follow the association's and foundation's regulation(s).

**Article 42. Association's and Foundation's Ex. Com. Meeting**

The Ex. Com. meeting opens as per the association's regulation agenda, but it must be at least twice a year, in order to summarize, review the work operations and the works to be continued to attain the annual plan.

Regulations, meeting advisory for the meeting, and annual meeting attendance must follow the association's and foundation's regulation(s).

**Section 12**

**Association's and Foundation's Branch Office Merging, Segregation, Dissolution, and Establishment**

**Article 43. Merging**

Merging of the associations or foundations is the merging of many associations or foundations operating in the same area or sector into one association or foundation in voluntary basis and receive the approval from the authorized authority for establishment.

**Article 44. Segregation**

Segregation of the association or foundation is the segregation of the association or foundation into two or more associations or foundations in order to have more effective operations. Segregation of the association or foundation is performed in voluntary basis and receive the approval from the authorized authority for establishment.

**Article 45. Dissolution**

The association and foundation will be dissolved by one of following cases:

1. The association and foundation violated the restrictions in Article 24 of this Decree;
2. The association and foundation operate in seriously violation of the Party's policy and direction, state's laws, and its regulation(s);
3. The association and foundation have not been continuously operating for 12 consecutive months or its allowed period ended, but it continued to operate;
4. The association and foundation did not make yearly report on its organization, functionality, and finance to the government's relevant authority(ies) for two consecutive years;
5. The association and foundation completed its operational period as defined in its regulation(s);
6. The association and foundation attained the objectives defined in its regulation(s);
7. The association's half or more of all members require to dissolve;



8. The foundation has no more funds or assets for further operations.

The rights and functional scopes of the dissolved association and foundation are terminated from the date the authorized authority revoked the association's and foundation's regulation endorsement letter.

The association's and foundation's assets, after dissolution, must follow its regulation(s) or transfer to other association(s) and foundation(s) those having similar nature of operation or the government accept them for allocating to other associations and foundations.

**Article 46. Association's and Foundation's Functionalities When Voluntarily Dissolve**

The association's and foundation's Ex. Com. prepare the letter and submit to the authorized authority as follows:

1. Application for dissolution;
2. Meeting's resolution or minute of dissolution;
3. The assets lists, liability lists, expense - income lists, and cash balance;
4. The liability repayment plan, the rest assets resolution plan.

**Article 47. Establishment of Branch Offices**

The association and foundation operating in nationwide can establish its representative office(s) or branch(es) in other locations based on the agreement from the relevant local authorities.

**Section 13**

**Association's and Foundation's Income Sources, Management, and Uses**

**Article 48. Association's and Foundation's Income Sources**

The association's and foundation's income sources are obtained from followings:

1. Receiving of the funds, assets from the domestic and international sponsors;
2. Membership fees (for association only);
3. Other income sources in accordance with the laws.

**Article 49. Receiving of the Funds, Assets from Domestic and International**

The association and foundation can receive the funds and assets from Lao individuals, juristic persons or organizations with the value not more than fifty millions kip. If their values are higher than fifty millions kip, it must report to the Ministry of Finance (MOF) or provincial Department of Finance and the authorized authorities in written within seven days.

The association and foundation can receive the funds, assets from the foreign individuals, juristic persons or organizations with the values of fifty millions kip or less. If their values are higher than fifty millions kip but less than one hundred millions kip, after received, it must report to the Ministry of Finance (MOF) or provincial Department of Finance and the authorized authorities in written within seven days.

For receiving of the funds, assets from the foreign individuals, juristic persons or organizations with the values of one hundred millions kip or more, it should do as follows:

- The association and foundation operating nationwide must seek the approval from the Ministry of Foreign Affairs (MOFA) with the association's and foundation's status certification from MOHA. It must report, after receiving of each donation, to MOFA, MOF, and MOHA in written within seven days.

- The association and foundation operating within the province must seek the approval from the provincial or capital Department of Foreign Affairs (DOFA) with the association's and foundation's status certification from the provincial or capital Department of Home Affairs (DOHA). It must report, after receiving of each donation, to provincial or capital DOFA, Department of Finance (DOF), and DOHA in written within seven days.

**Article 50.      Membership Fees**

The association can determine its membership fees in its regulation in appropriate potentials.

**Article 51.      Management and Uses of Income Sources**

Management and uses of the association and foundation's income sources must follow the relevant laws and regulations and the association's and foundation's regulations, but it must ensure that the regular administrative expenses must not exceed 25 percents of the annual expenditure plan for the association and 10 percents of the expenditure plan for the foundation.

**Section 14**

**Association's and Foundation's Assets and Assets Management**

**Article 52.      Association's and Foundation's Assets**

The association's and foundation's assets are the buildings, land, vehicles, equipment and other properties obtained for the contribution of the members, purchases, donations, grants from the domestic and international individuals, organizations and juristic persons or given by the government.

**Article 53.      Assets Management and Uses**

The association's and foundation's assets management and uses:

1. Government acknowledges and protects the association's and foundation's legal assets;
2. Assets management and uses must follow the association's and foundation's regulation(s) and the relevant laws and regulations.

### **Section 15**

#### **Association's and Foundation's Regulatory Authorities**

#### **Article 54. Association's and Foundation's Regulatory Authorities**

The government centrally regulates the associations and foundations nationwide by delegating the following authorities as regulatory assistants:

1. MOHA;
2. MOF;
3. MPS, provincial Department of Public Security;
4. Other relevant ministries, divisions;
5. Lao Front for National Construction (LFNC);
6. Provincial or capital authority; - *level*
7. District authority; - *level*
8. Village authority

#### **Article 55. Rights and Functions of MOHA, provincial Department of Home Affairs**

MOHA has the rights and functions as follows:

1. Be the secretariat and assist the government on the public administration and management of the associations and foundations centrally nationwide;
2. Collaborate with the relevant stakeholders to study, draft, and present the higher authority to consider promulgation of the policy and laws and regulations on the association and foundation;
3. Advertise, disseminate, and introduce the policy and laws and regulations on the association and foundation;
4. Study, consider for approving of the establishment, endorsement of the merging, segregation, and dissolution of the association and foundation as stated in Article 9 of this Decree;
5. Monitor, inspect, and check the association's and foundation's organizations and functionalities as stated in Article 9 of this Decree;

6. Coordinate with the ministries, equivalent organizations in central level and local authorities on the management and monitoring of the association's and foundation's functionality;
7. Study and consider the association's and foundation's requests within its right scope.

**Article 56.      MOF's Rights and Functions**

MOF has the rights and functions on the association management as follows:

1. Take ownership on the study to issue the regulations on the money management and uses of the association and foundation and instruction the provincial DOF for implementation;
2. Monitor and evaluate the association's and foundation's use of money and assets;
3. Consider the association's and foundation's requests on the tax and duty reduction and exemption in according to the applicable laws;
4. Collaborate with the authorized authority in considering on the measure taking to the associations and foundations when they are found violating the financial regulation as defined by the applicable laws.

**Article 57.      Rights and Functions of the MPS, Provincial or Capital Department of Public Security (DPS)**

1. Inspect and certify correctness regarding the biography of the initiator, initiator committee, association mobilizing committee, the association's and foundation's Ex. Com.
2. Other rights and functions as defined in the laws and regulations.

**Article 58.      Rights and Functions of the Ministries, Divisions**

The ministries, division have the rights and functions as follows:

1. Study, comment on the initiator's or mobilizing committee's on the request for approval of the association and foundation establishment, merging, segregation, and dissolution in relation to its area and responsibilities and management;
2. Disseminate and instruct the implementation of the policy and laws and regulation in relation to its works for the association and foundation;
3. Instruct, facilitate, monitor and inspect the association's and foundation's functionality to ensure they are functioning with their right objectives and roles;
4. Propose the authorized authority or government appreciating the outstanding associations and foundations on their contribution to the development and social assistance in relation to its sector.

**Article 59. LFNC's Rights and Responsibilities**

1. Educate, gather the unity and propaganda the civil society organizations (federations, associations, foundations, clubs) on the implementation of the party - government's policy and laws and regulation in each period of time;
2. Gather the civil societies to create the unity forces for contribution to the nation maintenance and construction;
3. Represent the civil societies on presenting their feedbacks and wishes. Collect the feedbacks, requests of the civil societies proposing to the government's relevant authorities for timely consideration and resolution;
4. Participate in the formulation of the policy, laws and regulation on the civil society, as well as the support, monitoring and inspection of such laws and regulation enforcement;
5. Close monitor, collect the information on the civil society's functionality, know and record the civil society's and its members' trends, ideas, wishes, and concerns in order to present to the relevant authorities for resolution;
6. Protect the rights and fair benefits of the civil societies, monitor and inspect the government's administrative authorities on the implementation of the policy and laws and regulations to the civil societies;
7. Coordinate with the relevant ministries and local authorities in consultation and arbitration of the disputes with the civil societies;
8. Exercise other rights and functions as defined in the laws and regulations.

**Article 60. Rights and Functions of the Provincial or Capital Authority**

The provincial or capital authority has the rights and responsibility as follows:

1. Advertise, disseminate and instruct the implementation of the policy and enforcement of the laws and regulations on the associations and foundations;
2. Study, consider approving of the association and foundation establishment, merging, segregation, and dissolution as stated in Article 10 and 11 of this Decree;
3. Instruct, facilitate, monitor and inspect the association's and foundation's functionality to ensure they are effective and functioning with their right objectives and roles;
4. Study and consider the resolutions for the requests of the associations and foundations within its rights. Coordinate with the LFNC in its level to study and arbitrate and resolve the conflicts, including the distracted events from the civil society;

5. Appreciate or propose the government's authorized authority to appreciate the outstanding associations and foundations on their contribution to the development and social assistance in relation to its locale.

**Article 61. Rights and Functions of the District or Municipality Authorities**

1. Advertise, disseminate and instruct the implementation of the policy and enforcement of the laws and regulations on the associations and foundations in the district or municipality level;

2. Instruct, facilitate, monitor and inspect the association's and foundation's functionality operating within its local level to ensure they are functioning in accordance with their right objectives and roles;

3. Appreciate or propose the government's authorized authority to appreciate the outstanding associations and foundations on their contribution to the development and social assistance in relation to its locale.

**Article 62. Rights and Functions of the Village Authorities**

1. Monitor and regular report the association's and foundation's operational situations in contributing to the village development and people's poverty reduction in its village to the district governor, district home affair office, and the relevant offices;

2. Cooperate and facilitate the association's and foundation's activities;

3. Certify the association's and foundation's performances in contributing to its village development and people's poverty reduction;

4. Propose the district governor, district home affair office and the relevant office appreciating the outstanding associations and foundations on their contribution to its village development and people's poverty reduction;

5. Issue the certificate on the association's and foundation's location.

**Article 63. Coordination**

**63.1 Coordination in Central Level**

1. The ministries, relevant divisions consider the request on the establishment of the association and foundation from the initiator or the mobilizing committee. If it is agreed to establish, it will respond the request person in written. The request person shall submit the documents to MOHA for consideration on the approval of the association and foundation establishment as stated in Article 9 of this Decree. Consideration for the approval of merging, segregation, and dissolution will be the same process;

2. The ministries, relevant divisions coordinate with MOHA in monitoring, inspecting, and evaluating the associations and foundations operating within its division's responsibilities;
3. The ministries, relevant divisions reports the association's and foundation's operational situations within its areas and division's responsibility to the Prime Minister through MOHA regularly;
4. When the distracted issue happened, in relation to the association and foundation, MOHA must take ownership in coordination with LFNC and the relevant ministries to consider in resolution or study and propose to the authorized authority(ies) to resolve in according to the laws and regulations.

### **63.2 Coordination in Local Levels**

1. The relevant provincial departments consider the request seeking for approval on the establishment of the association and foundation requested by the initiator or mobilizing committee. If it is agreed to establish, written response must be sent to the request person. The request person then submits to the provincial governor or mayor through DOHA for consideration on the approval to establish the association and foundation as stated in Article 10 and 11 of this Decree. Consideration for the approval of merging, segregation, and dissolution will be the same process;
2. The relevant provincial departments coordinates with the provincial or capital DOHA in monitoring, inspecting, and evaluating the associations and foundations operating within its area;
3. The relevant provincial departments report the association's and foundation's functionality operating within its area and division to the provincial governor or mayor in regular basis through provincial or capital DOHA;
4. In the event the distraction arose in relation to the association and foundation, DOHA must take ownership coordinating with LFNC and the relevant departments to consider or study, then propose to the authorized authority(ies) to resolve in according to the laws and regulations;
5. The relevant district offices coordinate with the district or municipality home affair office, village authority in monitoring and inspecting the association's functionality within its locale.

### **Section 16**

#### **Inspection Authority of the Associations and Foundations**

#### **Article 64. Inspection Authority of the Association and Foundation**

The inspection authority of the association and foundation consist of

1. The association and foundation regulatory authority as stated in Article 54 of this Decree;

2. State audit organization (SAO);
3. Independent Audit Organization;

**Article 65. Inspecting the Associations and Foundations**

Inspection authority of the associations and foundations has the duty to inspect the association's and foundation's organization and functionality according to its rights and scopes as follows:

1. Inspect the biography of the association's and foundation's initiator, mobilizing committee, and Ex. Com.
2. Inspect the objectives stated in the association's and foundation's regulations;
3. Inspect the annual report on the association's and foundation's organization and functionality;
4. Inspect the annual report on the association's and foundation's incomes and expenses;
5. Inspect the violation of the association's and foundation's regulations and the laws.

**Section 17**

**Policies Towards Persons with Outstanding Achievement  
and Measures Against Violators**

**Article 66. Policies Towards Persons with Outstanding Achievement**

The association, association's members, and foundation whose have outstanding performance in contributing their benefits and merits to the society and nation will be granted appreciations with various means in according to state policy.

**Article 67. Measures Against Violators**

Any Association, association's members, and foundation violate this Decree or other relevant laws and regulations will be warned, suspended, dissolved, or prosecuted as case by case.

**Section 18**

**Logo and Stamp**

**Article 68. Logo**

The association and foundation are allowed to have their specific logo if required.

**Article 69. Stamp**

The association and foundation have their own stamp approved by the relevant state organization in the size and pattern defined in the relevant laws and regulations.



**Article 70. Implementation**

The ministries, central authorities, local authorities, and civil society organization within the country must acknowledge and strictly implement this Decree.

MOHA has the duty to implement and issue the detailed instruction to outreach this Decree.

**Article 71. Effectiveness**

This Decree shall come into effect after one hundred eighty days from the signing date and supersede the association's decree No. 151/PM, dated 29 April 2009, and the foundation's decree No. 149 / PM, dated 19 May 2001.

**Government**