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LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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LAW ON COOPERATIVES
PART I
GENERAL PROVISIONS

Article 1 Purpose

This Law establishes the principles, rules, and measures governing the establishment, operation, management, and inspection of cooperatives. It aims to promote and develop cooperatives to enhance production, services, and business operations, thereby fostering economic growth, alleviating poverty and improve livelihoods, and contributing to the national socioeconomic development.

Article 2 Cooperatives

A Cooperative is a collective economic organization formed voluntarily by Lao citizens engaged in agriculture, handicrafts, trade, services, or other professions, established to foster mutual support among members through the pooling of capital, knowledge exchange, and technical resources, collaboratively address challenges and equitably share the benefits derived from their business operations.

Article 3 Definition of terms

Terms used in this Law shall be interpreted as follows:

1. **Groups** refer the organizations of Lao people who have their occupation in agriculture, handicrafts, trade, services, or other professions established on voluntary basis to help each other among cooperative members and household members, particularly in areas related to production and service activities.
2. **Share Capital** refers to the capital of the cooperatives divided into parts of equal value as stipulated in the cooperative's bylaws.
3. **Cooperative Operating License** refers to the documents certifying the operation of cooperatives activities from the relevant department as defined in this Law
4. **Innovation** means the application of knowledge, capacity, production process and scientific and technological experiences in order to research, create, service, develop a product and goods with high quality in a new form for the society.

Article 4 State policies on cooperatives

The State encourages and promote cooperatives by setting the policies, creating mechanism, conditions and facilitate cooperatives to grow, grow and strengthen in the green direction also to sustain, generate the income and improve the living for Lao people.

The State promotes and develops the group to be stronger with technical and facilities support, convenience for the group to become cooperatives.

The State encourages, promotes individual, legal entities and organization that contribute to promote the cooperative activities and events.

Article 5 The principles of cooperatives

Cooperative operations shall comply with following principles:

1. Consistent with policy guidelines, constitutions, Laws, strategic plan and national economic-social development plan, conventions to which Lao PDR is a party and related international agreements;
2. Centralized supervision with a unified the whole country;
3. Guarantee of cooperative members' rights and interests cooperatives and State;
4. Ensure the creation of jobs and improve the quality of life for the cooperative members
5. Ensure equality, efficiency/quick, fairness, transparent and verifiability;
6. Ensure peace and social order.

Article 6 Application of the Law

This Law applies to individual, legal entities and organization both domestic and abroad that actives and relations regarding cooperative work in Lao PDR.

Article 7 International cooperation

The State promotes cooperation with foreign countries, regional and international, regarding cooperative operations by exchanging lessons, information, techniques, technology, and human resources development, implementing the treaty of conventions to which the Lao PDR is a party and related international agreement.

PART II TYPES OF COOPERATIVES

Article 8 Types of cooperatives

The following types of cooperatives:

1. Agricultural and forestry cooperatives;
2. Saving and credit Union;
3. Trade cooperatives;
4. Handicraft and processing cooperatives;
5. Service cooperatives;
6. Other's cooperatives.

Article 9 Agricultural and forestry cooperatives

Agricultural and forestry cooperatives are the collective economic organization of the Lao people who engage in professional activities in cultivation, animal husbandry, fisheries, processing and services in agriculture and forestry.

Article 10 Saving and credit Union

Savings and credits Union are the collective economic organization of the Lao people that joint savings and loans for the members within the cooperatives to use in the produce and family activities.

Article 11 Trade cooperatives

Trade cooperatives are the collective economic organization of the Lao people who buy, sell and exchange goods.

Article 12 Handicraft and processing cooperatives

Handicrafts and processing cooperatives are the collective economic organization of the Lao people that engaged in manufacturing, processing, weaving, pottery, cooking, beverages and other occupations.

Article 13 Service cooperatives

A service cooperative is a collective economic organization of Lao people that engages in professional activities, transportation, tourism, construction, doctor and other professions.

PART III

THE ESTABLISHMENT AND OPERATION OF COOPERATIVES

SECTION 1

ESTABLISHMENT OF COOPERATIVES

Article 14 Conditions for establish cooperatives

Establishment of cooperatives shall meet the following conditions:

1. Formation Voluntary cooperatives;
2. Comprising at least seven Lao citizens as members, with each member not members belonging to the same household;
3. Having bylaws, offices, funds and property to ensure the operation of the cooperatives;
4. At least one member must have undergone cooperative management training certificate;
5. Additional conditions as stipulated by the relevant sector.

A group that intends to inform a cooperative, if there's a right to do so as defined in clauses 2 and 3 of this article, should submit the application to the agriculture and forestry sector to register the cooperatives.

For the conditions of establishing Savings and Credit Union are defined separately in the regulations.

Article 15 The bylaws of the cooperatives

Cooperative bylaws have the following contents:

1. Name of the cooperative, preceded by the term cooperatives;
2. Type of cooperative;
3. Objectives;
4. Office location;
5. Share value, number of shares, payment of shares with money or other assets, sale and transfer of share, repayment of shares to members;
6. Accounting and financial operations of cooperatives;
7. Distribution of dividends and responsibility for the lack of funding of cooperatives;
8. Membership criteria, rights and duties of members and termination of membership;
9. Regime of meetings of cooperatives;
10. Board of directors, inspection committee, managers, units and employees of the cooperative.

Article 16 A meeting to establish cooperatives

Those who intend to establish a cooperative must hold a discussion meeting to prepare for the establishment of the cooperative, which is as follows:

1. Create awareness about the cooperative that will be established;
2. Discuss about the establishment such as type, name, number of members, establishment plan;
3. Consider approving the business plan, bylaws of the cooperative and electing the first cooperative board director.

Article 17 Proposal to establish a cooperative

Those who intend to establish a cooperative must submit an application along with the supporting documents to register all types of cooperatives in the agriculture and forestry sectors and ask for permission to conduct cooperative activities in the relevant sectors.

Article 18 Application for establishing a cooperatives

Application documents for establishing a cooperative shall consist of the following:

1. Request to establish a cooperative according to the printed form prescribed by the Ministry of Agriculture and Forestry;
2. The bylaw of the cooperative;
3. Cooperative's business plan;
4. List of members and signature of each member, number of shares and capital of the cooperative;
5. Certificate of the office location of the cooperatives by village authority;
6. License to establish a group in case a group that has already been established.

Article 19 Consideration of cooperative registration

After receiving the correct and completed the documents for establishing a cooperative, the agriculture and forestry sector must consider issuing a cooperatives registration certificate within five working days from the date of receipt of the request.

A cooperative registration certificate is a document confirming the establishment of the cooperative according to the Law and can be used throughout the period of activity of the cooperative.

Article 20 Requesting permission to conduct cooperative activities

After obtaining a cooperatives registration certificate from the agriculture and forestry sector, they must apply a permission to operate cooperative activities in the relevant Laws and regulations.

The relevant sector must notify the issuance of a license to operate cooperative activities to agriculture and forestry sector within five working days from the date of issuance that the license has been issued.

Permits to operate each type of cooperative activities are defined in separate regulations.

Article 21 Cooperative branches

Cooperatives can establish their own branches but must be approved by the sector that allows them to proceed the cooperative activities by coordinating with the relevant sectors and informing to the agriculture and forestry sector where the cooperative branch is located.

The conditions for the establishment and operation of the cooperative branch are defined in separate regulations.

SECTION 2 ORGANIZATION OF COOPERATIVES

Article 22 Organization of cooperatives

The organizations of the cooperative are as follows:

1. The meeting of the cooperative;
2. Cooperative board of directors;
3. Cooperative inspection committee;
4. Cooperative managers;
5. Units of the cooperatives.

Article 23 Cooperative meetings

Cooperative meetings are the highest organization of the cooperative which consists of:

1. General Assembly meeting to be held at least once a year;
2. Extraordinary meeting to be convened at any time upon the invitation of the chairman of cooperative board of directors or upon the proposal of the member with a number of one-fourth among all the members to consider important, necessary and urgent issues.

The General Assembly Meeting of the Cooperative may be held only if two-thirds or more of the members are present.

The cooperative ordinary meetings have the following rights and duties:

1. Adopt the bylaws of the cooperative, business plan and annual action plans of cooperative;
2. Approve the summaries of the accounting, financial and audit reports;
3. Consider agreeing on increasing or decreasing the number of shares or share value and dividend distribution;
4. Elect or remove the executive committee and inspection committee;
5. Appoint or remove the board of directors or cooperative managers;
6. Consider and agree on meeting allowances, subsidies, and other policies for the cooperative board of director and the inspection committee;
7. Consider and agree on salaries, subsidies and other policies for managers and employees of the cooperative;
8. Agree on other important issues of the cooperative.

To consider any issue at the meeting of the cooperative must receive the approval vote of more than half of the number of participating cooperative members, except for the adoption the bylaws of the cooperative, merger, separation, dissolution of the cooperative must receive the approval vote more than two thirds.

Article 24 Cooperative board of directors

The cooperative board of directors are elected and removed by the General Assembly Meeting of the cooperative, which consists of three or more members including chairman, vice chairman and Board of director members.

The board of directors has a term of five years and shall conduct the election of a new board of directors. In case that any member of the board of directors becomes vacant, the cooperative must hold meeting to elect a new member of the board directors to fill the vacant to perform the duties of the remaining terms.

The cooperative board of directors conduct activities according to the meeting regime at least three months at the time.

The cooperative board of director has the following rights and duties:

1. Develop the resolution of the meeting of the cooperative;
2. Propose a plan of the operations and annual activities to the meeting of the cooperative;
3. Encourage and monitor the activities of the inspection committee, manager or organizers;
4. Adopt regulations on the management and administration of the cooperative as proposed by the manager;
5. Elect the president, vice president and management committee as divide the responsibilities to each one;
6. Propose the appointment or remove the managers of the cooperative;
7. Approve hiring or canceling the hiring of employees of the cooperative;
8. Consider accepting the new members and resigning members base on the consent of the members;
9. Used the rights and perform the duties as defined by the Law.

Article 25 Cooperative inspection committee

The cooperative inspection committee consists of three or more members including the inspection chairman, vice chairman and the numbers of member who are not part of the cooperative board of directors and are elected or removed by the meetings of the cooperative.

The cooperatives inspection committee has the following right and duties:

1. Research, create and improve regulations on inspection and reporting of cooperative;
2. Examine the activities of the cooperative such as finance, accounting, use of fund and assets of cooperative;
3. Attend the meeting of board of directors and cooperative meeting;
4. Asking the relevant member in the cooperative to provide the document and information required serve the inspection work and keep such information confidential;
5. Report on violations of Law and regulations of the cooperative to the board of directors and the meeting of the cooperative, as well as provide measures and remedies;
6. Propose cooperative meeting to consider hiring an independent auditor to audit the cooperative account if necessary;
7. Report the inspection results to the meeting of the board of director and the cooperative meeting;
8. Use right and perform other duties as defined in relevant Law and regulations.

Article 26 Manager

The cooperative may have a board of manager or a manger who manage a daily affair of the cooperative according to the conditions and special points of each cooperative.

The board of manager or the cooperative managers is responsible for managing the daily operations within a scope of its right and duties in accordance with the Laws, the association and as assigned by the cooperative board of directors.

The board of managers or cooperative manager have the following rights and duties:

1. Manage the daily work and be responsible for the business performance of the cooperative;
2. Create or amend the business plan and the annual action plan and propose them to the cooperative board of directors;
3. Manage the use of capitals and assets of the cooperative;
4. Participate in the cooperative meetings, board of directors meeting or other meetings related to cooperative activities;
5. Provide information and clarification on various issues that are of interest to the inspection committee, the cooperative board of director and the cooperative meeting;
6. Recruit and place the employees of the cooperative according to the scope of their responsibilities;
7. Propose to hire or stop the employees of the cooperative for the cooperative board of director to consider and approve;
8. Summarize and report business activities to the cooperative board of directors;
9. Use rights and perform other duties as defined in relevant Laws and regulations.

Article 27 Cooperative units

A cooperative has units that are responsible for finance, accounting, and other unit as necessary, appropriate to its size and characteristics.

For the organization and activities including the responsibilities of each unit is defined in the bylaw of the cooperative.

SECTION 3 RIGHTS AND OBLIGATION OF COOPERATIVES

Article 28 Rights of cooperatives

A cooperative has the following rights:

1. Promote production, trade, services and other businesses activities of its members in according with its license scope of operations;
2. Coordinate with relevant persons and organize meetings to discuss various issues according to the cooperative plan;
3. Accept members openly on voluntary basis;
4. Obtain technical, academic, and financial support from relevant person in the public and private sectors, domestically and internationally;
5. Borrow from commercial bank or other financial institutions to invest in their businesses;
6. To provide loans, provide services for equipment and production vehicles to the members;
7. Create, manage and implement welfare policies for members, families and society properly and fairly;
8. Participants in cooperatives exhibitions and distribution of goods;
9. Manage and use assets of cooperatives;
10. Use rights as defined in relevant Laws and regulations.

Article 29 Obligations of cooperatives

A cooperative has the following obligations:

1. Follows the bylaw of the cooperative and unite the unity of the internal members;

2. Provide assistance and protect the legitimate interests of members;
3. Mediate disputes between members;
4. Provide technical assistance and information regarding the production, trade, marketing and service to its members;
5. Participate in the discussion and provide its opinion on issues related to the activities of the cooperative;
6. Notify the sectors authorized to operate cooperatives, agriculture and forestry sectors regarding the increase or decrease of members, capital, shareholding and important content changes;
7. Be responsible for the debts of the cooperatives;
8. Summarize and report the activities of the cooperative to the relevant sectors regularly;
9. Perform other obligations as required by Laws and regulations.

SECTION 4 COOPERATIVE MEMBERS

Article 30 Conditions of membership

Cooperative membership shall meet the following conditions:

1. Being voluntary to participate and holding at least one share;
2. Not being an entity
3. Being a Lao citizen of 18 years of age or older and not mentally ill;
4. No more liabilities than assets;
5. Other conditions as required by the bylaw of the cooperative.

Article 31 Rights and obligations of cooperative members

Cooperative members have the following rights:

1. Participate in relevant activities of the cooperative as defined in the regulations of cooperatives;
2. Receive dividends or other benefits according to the proportion of shares held;
3. Be entitled to assistance and protection of their legitimate interest;
4. Candidate for election to the board of director and inspection committee the cooperative;
5. Propose the board of director to open the general meeting;
6. Propose relevant sectors to consider solving any problem in case the cooperative does not solve or not being able to solve.
7. Resign from membership by selling, giving, transferring all their shares;
8. Use rights as defined in the Laws and bylaw of the cooperation.

Cooperative members have the following obligations:

1. Participate in meetings, vote, propose and comment on various issues, including issues regarding the protection of their rights and interests;
2. Maintain unity among members, maintain honor, business secrets and other interests of cooperation;
3. Be responsible for the debts of the cooperative equal to the number of shares that have not been fully paid up;
4. Examine the assets and financial accounts of cooperatives as defined in the regulations of the cooperative;

5. Perform other obligations as defined in the Laws and bylaw
6. of the cooperative.

SECTION 5 COOPERATIVE CAPITALS

Article 32 Cooperative capital

Cooperative capital is the property used in the operation of cooperative activities which consists of money and materials:

Cooperative capital come from:

1. Contribution of members;
2. Conducting the activities of the cooperative;
3. Borrowing or assistance from various parties, both domestic and foreign;
4. Legitimate income.

Article 33 Contribution of members

Cooperative members must contribute at least one share of capital of joining and can contribute additional capital as agreed by the cooperative meeting, but the maximum shall not exceed twenty percent of the total shares of the cooperative.

Article 34 Distribution of dividends

Net profit after deducting into the treasury according to the regulations of the operative, shall be distributed to its members according to their shareholding.

The cooperative meetings are to decide on the distribution of dividends.

Article 35 Benefits of proceeds from joint venture

The benefit from the operation of joint activities are proceeds from the contribution of members in the operation of the cooperative, which may be shared or used according to the agreement between the cooperative and the members, such as bringing their products to cooperative to sell in the name of cooperative or brings goods to sell to the cooperative.

Article 36 Reserve and treasury

A reserve is a fund set up to compensate for a loss from the operation of the cooperative which is deduction of at least five percent of the annual net profit as agreed by the cooperative meeting. When the reserve fund has accumulated half of the registered capital of the cooperative, and it can suspend the deduction of money into the reserve fund.

Treasury is fund create to accumulate earnings to be used for the business expansion, infrastructure construction, technical assistance and investment, as well to repurchase shares from members at the time of resignation and is from the deduction of at least ten percent of the annul net profit as agreed by the cooperative meeting.

Article 37 Accounting

Cooperatives must keep accounts and follow the system, maintain accurate and complete accounts as defined in the Law on accounting.

Article 38 Inspection

Cooperatives can hire an independent auditor to audit the financial statements as agreed by the cooperative meetings or the request of the sectors authorized to carry out the activities of the cooperative in case of necessity.

SECTION 6

Merger, Division and Dissolution of Cooperatives

Article 39 Merger of cooperatives

A cooperative can merge with another cooperative or several cooperatives to become a cooperative or create new cooperatives but they must have a resolution from the meeting of the cooperative and no objection from any creditors.

In order to become a cooperative, it is necessary to notify the sector that allows cooperative activities, the agriculture and forestry sector and the financial sector. For the consolidation to establish a new cooperative must be established according to this Law.

Consolidation in any case will not relieve the liability of individual cooperatives.

Article 40 Division of cooperatives

A cooperative may be divided into two or more cooperatives, subject to the resolution of the cooperative meeting and without objection of its creditors.

Separation of cooperatives shall be notified to the sectors authorized to operate the cooperatives, the agriculture and forestry sector and the financial sector for the old cooperation that's remain. For the part of separating a new cooperative it must be established according to this Law.

Separation of the cooperative shall specify the assets and responsibilities or obligations of the old cooperative that agreed to separate.

Article 41 Dissolution of cooperatives

The cooperatives will be dissolved in any of the following cases:

1. Voluntary based on the resolution of the meeting of the cooperative;
2. No activity within one year from the date of obtaining permission or do another activity without authorized after being notified;
3. The license to operate a cooperative or the registration of a cooperative has been revoked;
4. There is a court decision to dissolve or go bankrupt;
5. To dissolve for any reason defined in the regulations of the cooperative.

Dissolved cooperatives must liquidate their assets and liabilities as stipulated in relevant Laws and regulations.

The dissolutions of the cooperative must be notified to the agriculture and forestry sector and related within five working days.

PART IV

COOPERATIVE PROMOTION POLICY

Article 42 Policy for the promotion of cooperatives

The policy for the promotion of cooperative is as follows:

1. Establishment of enabling environments;
2. State land use;

3. Development of essential infrastructure;
4. Access to finance;
5. Tax and tariff incentives;
6. Technical and consulting services;
7. Use of technology and innovation;
8. Market access and expansion;
9. Use and protection of intellectual property;
10. Additional policies as periodically determined by the state.

Article 43 Creation of conducive environment

The relevant sectors, organizations and local government agencies are responsible for creating an environment conducive to the establishment and activities of the cooperatives by establishing and improving clear and comprehensive procedures, determining measures to resolve barriers and increasing efficiency, effectiveness and transparency of their administration and services.

Article 44 State land use

Related sectors and organizations are responsible for coordinating with local government agencies in researching and allocating State land designated as production areas and conservation areas for cooperatives to protect and use in the activities of cooperatives but not to change the land use objectives such as establishing offices, services areas, processing in accordance with the local land allocation plan and Law.

There will be a policy for agricultural and forestry cooperatives to use common land of the village for agricultural and forestry production.

After the end of use, the land must be returned to the State.

Article 45 Provision of necessary infrastructure

The relevant, organizations and local administration are in charge of renovating, researching, creating and providing necessary infrastructure in accordance socio-economic development plan in order to create favorable conditions and facilitate cooperatives to use them in business operations, production, such as roads, irrigation, electricity networks and telecommunications.

Article 46 Access to funding

Ministry of Planning and Investment, Ministry of Finance, Bank of the Lao PDR, Ministry of Industry and Commerce, Ministry of Agriculture and Forestry and the relevant local administration agencies find sources of fund or create favorable conditions for cooperatives to have access to funding sources.

The Bank of Lao PDR encourages, promotes, and creates conditions for commercial banks and financial institution to establish mechanisms, improve the credit structures and issue various type to financial products in improving credits, credit guarantees and financial leasing to ensure that cooperatives can access funding sources in general.

Article 47 Policy on taxes and taxation

The State has a policy to promote taxes and taxation cooperative as follows:

1. Get the policy of exempting fees and service charges for issuing cooperative registration and license to operate cooperatives activities, as for renewing the

- license to operate cooperative activities, pay fees and service charges according to the regulations;
- 2. Get the policy to exempt profits tax from business activities for ten years for agriculture and forestry cooperative and handicrafts and processing cooperatives, three years for saving and credit union, trade cooperatives and services cooperatives. After the end of the exemption period, profit tax will be paid as stipulated in the income tax Law;
- 3. Get a policy to exempt income tax from the dividends of cooperative members;
- 4. Receive tax and other tax exemption policies as stipulated in the relevant Laws and regulations.

Article 48 Technical and consulting service

The sector is authorized to carry out cooperative activities and is responsible for providing technical services and counseling to cooperatives by establishing a unit to actively provide technical services and counseling aimed at developing cooperatives to grow and strengthen.

Related sectors, organizations and local government agencies must create conditions and mechanisms for providing technical services and counseling to cooperatives according to their roles, as well as encourage and promote various parties to provide technical services and counseling to cooperatives.

Article 49 Use of technology and innovation

The State promotes cooperatives using technology and innovation as follows:

- 1. Encouraging and promoting cooperatives to find and use technology and innovation in the production of goods, trade and services of a higher quality as well as being eco-friendly;
- 2. Encourage and promote cooperatives in inventing and using innovation in design, production, marketing, administration, etc. to develop cooperative activities.
- 3. Support funds for research and educational institutions to research in various fields for cooperatives to use;
- 4. Provide funds in various forms for cooperatives to use in improving technology to be modern and suitable for cooperatives operations.

Article 50 Market access and expansion

Sectors that are allowed to conduct cooperative activities coordinate with the industry and trade sectors, other sectors and related local government agencies to create conditions, facilities and support cooperatives to access and expand the market by organizing product and service exhibitions, product advertising, market study, introducing products and participating in product exhibitions both domestically and internationally, business matching and joint investment to expand the market.

Sectors, organizations, local governments and various parts must promote the use of cooperative products, create conditions and provide opportunities for cooperatives to provide goods and services to their organizations.

Article 51 Use and protection of intellectual property

The authorized sector to conduct cooperative activities coordinate with the industry and trade sectors and other related parties to promote and create favorable conditions for

cooperatives to innovate and create the intellectual economy as well as promote and facilitate cooperatives in registering, managing and protecting intellectual property rights.

Article 52 Provision and access to information

The sector authorized to operate cooperatives is responsible for coordinating with relevant sectors, organizations and local government agencies to create and develop an information system about cooperatives so that the cooperatives and society can have convenient, timely and connected information systems of the Ministry of Agriculture and Forestry.

Relevant sectors, organizations and local government agencies must provide information related to production, trade, services and other information according to their roles to cooperatives in electronic format, hand book, magazines, brochures and other media.

The Ministry of Agriculture and Forestry is coordinating with the Ministry of Education and Sports to conduct the curriculum on cooperatives.

Article 53 Creating Initial capital for running activities

The State promotes the creations of primary factors in the operation of cooperatives by:

1. Encourage relevant parties to make and create policies and legislation regarding the primary creation of production, trade, services of cooperatives to reduce production costs such as reducing electricity and water costs;
2. Provide production inputs to agricultural and forestry cooperatives in the time of disasters and epidemics such as fertilizers, plant varieties, animal breeds, pesticides, veterinary medicine;
3. Assessment, monitoring and inspect relevant parties in the implementation of policies, Laws, and regulations regarding the promotion of production inputs, trade, and service activities to ensure efficiency and effectiveness.

PART V COOPERATIVE FEDERATION

Article 54 Cooperative federation

A cooperative federation is a social organization that combines cooperatives that are established without profit to cooperate and help each other in doing cooperative activities, build technical strength and protect the rights and legitimate interests of members on the basis of self ownership, self responsibility, and equal activity in the organization and management of the cooperative federation.

Cooperative federations have sources of income from maintenance fees, subsidies from the government, money or assets that are supported by individuals, legal entities, organization, both domestic and foreign, as well as other income.

For the establishment, registration and activity of the cooperative federation, follow the regulations on the association.

Article 55 Rights and duties of cooperative federation.

The cooperative federation have the following rights and duties:

1. Research and comment on the creation and improvement of Laws and regulations on cooperatives;
2. Disseminate Laws and regulations on cooperatives for their members to be widely aware, to be unified in their implementation to be effective;

3. Create and improve its organization to grow stronger, use modern science, techniques and technology in its activities;
4. Encourage cooperatives to become members, helping and promoting members in doing business to grow, strengthen as well as supervise and protect the legitimate rights and interests of members based on the Law;
5. To represent members in cooperative relations, to attend meetings, to offer comments to the sector that allows to carry out cooperative activities;
6. Monitor activities, give advice and resolve disputes of members;
7. Provide information to its members about cooperative activities;
8. Mobilize and receive support and funding donations from individuals, legal entities and organizations both domestically and internationally based on Laws and regulations;
9. To cooperate and coordinate with relevant State agencies regarding cooperative activities;
10. Liaise and cooperate with foreign, regional and international organizations regarding their activities as assigned;
11. Summarize and report their work activities to the authorized sector to conduct cooperative activities and the Ministry of Agriculture and Forestry on a regular basis;
12. Use rights and perform other duties as defined by the Law.

PART VI

COOPERATIVE PROMOTION COMMITTEE

Article 56 Cooperative promotion committee

The cooperative promotion committee is a non-regular organization appointed by the Prime Minister upon the proposal of the Minister of Agriculture and Forestry, with the role of researching, directing, encouraging and monitoring the implementation of cooperative promotion work by the Department of Agriculture and Cooperative promotion, Ministry of Agriculture and Forestry as the secretariat.

The cooperative promotion committee consists of:

1. Minister of Agriculture and Forestry, as a chairman
2. Deputy Minister of Agriculture and Forestry, as a vice president
3. Deputy Minister of Industry and Trade, both as regulars
4. Deputy Minister of Finance, a board
5. Deputy Governor of Bank of the Lao PDR, a board
6. Deputy Minister of Planning and Investment, a board
7. Deputy Minister of Energy and Mines, a board
8. Deputy Minister of Information, Culture and Tourism, a board
9. Deputy Minister of Public Works and Transport, a board
10. Deputy Minister of Health, a board
11. Representing the Lao National Chamber of Commerce and Industry, a board
12. President of the Cooperative Federation, a board
13. Director of the Department of Agriculture Promotion and Cooperatives, a board and also the head of the secretariat.

For provinces that have the conditions and are equipped in terms of personnel, they can establish a committee for the promotion of cooperatives with the agreement of the governing

committee at the provincial level as proposed by the department of agriculture and forestry at the provincial level.

The organization and activities of the secretariat are defined in separate regulations.

Article 57 Rights and duties of the cooperative promotion committee

The cooperation promotion committee has the following rights and duties:

1. Provide and comment on guidelines and policies to promote cooperatives to be appropriate and consistent with economic and social conditions of the nation;
2. Publicize policies, development plans and legislation on cooperative promotion activities;
3. Encourage ministries, organizations and local government agencies to take policies, plans, resolutions of the government to be plans, programs and detailed projects on the work of promoting cooperatives to be integrated into the development plan of their sector;
4. Monitor and inspect cooperative promotion activities of ministries, organizations and local government agencies;
5. Summarize and report the cooperative promotion activities to the government periodically;
6. Use rights and perform other duties as defined by the Law.

PART VII COOPERATIVE PROMOTION FUND

Article 58 Cooperative promotion fund

The cooperative Promotion Fund is State fund established to accumulate and raise funds from various domestic and foreign sources with the aim of having sufficient funds to respond to the promotion and development of cooperatives in a wide, continuous, efficient and effective manner under the management and monitoring of the Ministry of Agriculture and Forestry.

Cooperative Promotion Fund abbreviated as “CPF”.

Article 59 Capital of cooperative promotion fund

The capital of the cooperative promotion fund comes from:

1. State funding;
2. Grants and loans from within or abroad;
3. Contribution of the Cooperative;
4. Voluntary contributions of individuals, legal entities or organizations;
5. Income from fund management;
6. Other legitimate income.

Article 60 Management and use of cooperative promotion funds

The management and use of cooperative promotion funds must be related to cooperative work, ensure transparency, and can be audited in accordance with the State budget Law and other related Laws.

For the management and use of cooperative promotion funds are defined in separate regulations.

PART VIII PROHIBITIONS

Article 61 General prohibitions

Individuals, legal entities and organizations are prohibited from engaging in any of the following behaviors:

1. Obstruct, impede, undermine or refuse to cooperate in cooperative activities;
2. Abusing, claiming or use the name of the cooperative for illegal purpose;
3. Forge, misrepresent information about oneself, a legal entity or other organization for one's own benefit which causes damage to individuals, legal entities or other organizations;
4. Acting as a mediator in giving and receiving bribes or benefits;
5. Interfering with the organization within the cooperatives;
6. Establish and operate a cooperative without permission;
7. Having other behavior that violates the Law.

Article 62 Prohibitions for cooperatives

Cooperatives are prohibited from engaging in the following behaviors:

1. To carry out activities without proper authorization;
2. Providing false and unclear information to officials or related officials;
3. Forge, misrepresent about oneself, legal entity or other organizations for the benefit of the cooperative which causes damage to individuals, legal entities or organizations;
4. Giving bribes or other benefits to civil servants and related officials;
5. Have other behavior that violates the Law.

Article 63 Prohibitions for cooperative federation

It is forbidden for cooperative federation behave as follows:

1. Carry out any business to seek profit;
2. Make any conflict within the cooperative and the members of the cooperative;
3. Movements that affect the stability, peace and orderliness of society, individual freedom and good customs of the nation;
4. Other behavior that violates the Law.

Article 64 Prohibitions for civil servants and related officials

Civil servants and related officials are prohibited from engaging in any of the following behaviors:

1. Disclose confidential information of cooperatives and cooperative federations;
2. Ask for a benefit, demanding or accepting bribes and other benefits from cooperatives and federations cooperative;
3. Issue or deny the issuance of certificate and license to conduct cooperative activities illegally in accordance with the relevant Laws and regulations.
4. Force, delay, or creating difficulties for establishing and activities of cooperatives and cooperative federations;
5. Other behavior that violates Laws.

PART IX
SUPERVISION AND INSPECTION OF COOPERATIVE OPERATION
SECTION 1
SUPERVISION OF COOPERATIVE

Article 65 Supervision organization of cooperative

The government manages the work of cooperative in the centralized and unified manner in the whole country by assigning the agriculture and forestry sector and the sector that allow the operation of cooperatives to be directly responsible and coordinate with the relevant sectors, organizations and local government agencies.

Article 66 Rights and duties of the agriculture and forestry sector

The agriculture and forestry sector has the following rights and duties within the scope of its responsibility:

1. Find, formulate policies, Laws, strategic plans and regulations on cooperative to present to the upper level for consideration;
2. Expand policies, Laws, strategic plans and regulations regarding cooperative into plan, programs, projects and implementation;
3. Publicize policies, Laws, strategic plans, regulations, plans, programs and projects relate to cooperative activities;
4. Issuing, suspending or revoking cooperative registration, license to operate agricultural and forestry cooperatives;
5. Supervise, monitoring and evaluate the implementation of cooperative work in coordination with the relevant sectors, organizations and local government agencies;
6. Create a favorable environment and primary factors for the operation of activities for agricultural and forestry cooperatives;
7. Provide technical and consulting services, supply and access to the information;
8. Promote research and use of technology and innovation in cooperatives operations, create conditions and facilitate cooperatives to access and expand the market
9. Promote and create conditions for the groups to grow, become stronger and become a cooperative;
10. Create, nurture and upgrade personal related to cooperative activities;
11. Create, manage and use an information system about cooperatives;
12. Receive, consider and resolve proposals of individuals, legal entities or organizations regarding to cooperative activities.
13. Coordinate with the relevant sectors, organizations and local government agencies in the implementation of cooperative activities;
14. Relations and cooperate with foreign countries, regional and international regarding cooperative activities;
15. Summarize and report the implementation of cooperative work to the upper level on a regular basis;
16. Use rights and perform other duties as defined by the Law.

Article 67 Rights and duties of the sectors authorized to conduct cooperative activities

In supervision cooperative affairs, the sector authorized to conduct cooperative affairs has rights and duties according to the scope of it responsibility as follows:

1. Find and create policies, Laws, strategic plans and regulations regarding cooperative work to present to the upper level for considerations;
2. Expand policies, Laws, strategic plans and regulations regarding cooperative operation into plans, programs, projects and implementation;
3. Publicize policies, Laws, strategic plans, regulations, plans, programs and projects related to cooperative operation;
4. Issuing, suspending or revoking a license to operate a cooperative;
5. Supervise, monitoring, and evaluate the implementation of cooperative activities in coordination with the agricultural and forestry sector, relevant local government agencies and organizations;
6. Create a favorable environment and create primary factors in the operation of cooperatives;
7. Provide technical and consulting services, supply and access to information;
8. Promote research and use of technology and innovation in cooperative operations;
9. Create, nurture and upgrade personal related to cooperative activities;
10. Create, manage and use an information system about cooperatives;
11. Receive, consider and resolve proposals from individuals, legal entities or organizations regarding of cooperative activities;
12. Coordinate with related sectors, organizations and local government agencies in the implementation of cooperative activities;
13. Interact and cooperate with foreign, regional and international cooperatives;
14. Summarize and report the implementation of cooperative work to the upper level and agricultural and forestry sector regularly;
15. Use rights and perform other duties as defined by Laws.

Article 68 Rights and duties of sectors, organizations, and local government agencies and other related parties

Sectors, organizations, local government agencies and other relevant parties have the right and duty to coordinate and cooperate with the agriculture and forestry sector, the sector authorized to conduct cooperative activities in the management of cooperative activities according to their roles and responsibilities.

SECTION 2
INSPECTION OF COOPERATIVE OPERATION

Article 69 Inspection agencies

The cooperative inspection agencies consist of:

1. Internal inspection organizations which is the same organizations as the cooperative work management organization as defined in Articles 65 of this Law;
2. External inspection organizations which are the National Assembly, Provincial People's Councils, State Inspection organizations at each level, State Audit Organizations, Lao Front for National Development, Lao Veterans Federation, Mass organization, Social organizations and people.

Article 70 Content of inspection

Inspection of cooperative operation has the following content:

1. Implementation of policies, Laws, strategic plans and regulations regarding to cooperative work;

2. Performance of the duties of civil servants and officials in charge of cooperative work;
3. Performance of the duties of the cooperative board of directors, inspection committee, manager, units and employees of the cooperatives;
4. Creation and implementation of cooperative work plans;
5. Other content deemed necessary.

Article 71 Forms of inspection

Inspection of cooperative operation has three Forms as follows:

1. Regular inspection which is an inspection carried out according to a plan on a regular basis and with a certain deadline;
2. Inspection by notifying in advance, which is an unplanned inspection when deemed necessary by notifying the target to be inspected in advance;
3. A sudden inspection, which is an urgent inspection without giving the target advance notification;

In the inspection of cooperative operation, strictly follow the Laws.

PART X

DATE OF ESTABLISHMENT, MARKS, SIGNS AND SEALS

Article 72 Cooperative establishment day

Cooperative was founded in May 11, 1978.

Cooperatives, related sectors, local government organizations celebrate the cooperative day by organizing activities according to the conditions and actual capabilities.

Article 73 Marks, signs and seals of cooperatives

Cooperatives have their own marks and signs to be use in their activities, which have been approved by the Ministry of Agriculture and Forestry.

The cooperative has its own seal to be used in official activities according to the regulations.

PART XI

AWARDS AND SANCTIONS

Article 74 Awards

An individual, legal entity or organizations with outstanding performance according to this Law in the supervision, monitoring and inspection of cooperative shall receive the appropriate awards and benefits, in accordance with regulation.

Article 75 Sanctions

An individual, legal entity or organization that violate this Law shall be sanctioned in the form of education, warning, disciplining, fining, providing compensation for civil damage, or criminally punished, as provided in Law.

PART XII

FINAL PROVISIONS

Article 76 Implementation

The Government of the Lao People's Democratic Republic is responsible for the implementer of this Law.

Article 77 Effectiveness

This Law enters into force from September 1 2024 after the President of State of the Lao People's Democratic Republic issues the Presidential Decree for its promulgation, and after publishing in the official gazette.

Any cooperatives that established prior to this Law must notify the agriculture and forestry sector of the cooperative registration if they intend to receive a cooperative promotion policy as defined in this Law, to submit a proposal to the sector that issued permission to operate cooperative activities and related sectors to consider and notify the requester within one hundred and twenty days.

President of the National Assembly

Xaysomphone Phomvihane