

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No. 115/PM
Vientiane, 29 April 2009

**DECREE
ON ASSOCIATIONS**

- Referring to the Constitution of Lao PDR dated 6 May 2003;
- Referring to Law 02/NA dated 6 May 2003 on the Government of Lao PDR;
- Referring to the letter of proposal Ref. No. 53/PACSA dated 11 April 2009 of the Minister to the Prime Minister's Office, Chairperson of the Public Administration and Civil Service Authority,

The Prime Minister of Lao PDR issues the following decree:

**PART I
General Provisions**

Article 1 Objectives

This Decree sets the rules and regulations governing the establishment, operation and management of associations registered as legal entities in Lao PDR for the purposes of:

1. Promoting the Lao people's rights of freedom, creativity and ownership in the organization of associations aiming at national protection and development;
2. Providing references to individuals or organizations intending to set up their associations;
3. Providing references to government organizations concerned in managing, facilitating and encouraging lawful activities by associations, promoting associations' contributions towards socio-economic development and poverty eradication, as well as countering and restricting activities affecting national stability, social order and individual rights of freedom.

Article 2 Definitions

- Association refers to a non-profit civil organization set up on a voluntary basis and operating on a permanent basis to protect the rights and legitimate interest of the association, its members or communities;
- Association registered as legal entity refers to an association established under this Decree and operating permanently on the basis of its charter with a registered office, stamp and bank account(s) in due compliance with the laws and regulations;

- Un-incorporated association is an association established voluntarily by individuals or organizations when conditions set out in paragraph two of this Article are not fully met. The Government recognizes and promotes un-incorporated associations under specific laws and regulations.

Article 3 Wordings

- Association, when used in this Decree, refers to associative federations, federations, councils, clubs or bodies however designated that are civil society organizations with members;
- Non-profit seeking means properties and revenues are obtained from an association's activities after deduction of administrative costs and the balance is not distributed but applied towards the objectives set out in the association's charter.

Article 4 Scope of Application

This Decree is applicable specifically to incorporated associations only and has no effect on the following organizations:

- Lao Front for National Construction;
- Lao Federation of Trade Union;
- Lao National Federation of Veterans;
- Lao Women's Union;
- Lao People's Revolutionary Youth;
- Friendship associations with different countries;
- Religious organizations;
- Funds;
- Foundations.

The above organizations, un-incorporated organizations and associations of foreign residents and aliens operating in Lao PDR will be subject to separate rules and regulations.

Article 5 Principles in the Establishment and Operation of Associations

Associations are set up and operate on the basis of the following principles:

1. Voluntary adherence or resignation from an association without constraints or duress;
2. Permanent operation in accordance with the association's charter;
3. Self-management and liability for the association's activities before the law;
4. Financial self-sufficiency;
5. Non-profit seeking activities;
6. Transparency, openness, democracy and equality.

Article 6 Criteria

The incorporation of any association requires the following conditions are met in full:

1. Objectives consistent with the Constitution, laws and fine national, local and ethnic traditions, non-threatening to national stability, social order and individual right to freedom;
2. The association's founder is a Lao citizen of minimum 18 years of age and in full possession of his mental capacity;
3. A mobilization committee composed of at least 3 persons appointed by the association's founder, of which at least one must have professional qualifications relevant to the association's objectives;
4. The future association's name must not be the same as other duly registered associations' names in the same area;
5. The association's incorporation is authorized by a government organization under this Decree;
6. The association has a charter, office and assets to ensure its set objectives are attained;
7. Voluntary enrollment of members as follows:
 - Associations operating throughout the national territory require at least 25 members;
 - Associations operating within a province or the capital require at least 15 members;
 - Associations operating within a district, municipality or village require at least 10 members.

Membership requirements for associations operating within specific regions, sectors, professions or localities will be considered on a case by case basis.

PART II

Types and Levels of Associations

Article 7 Types of Associations

Associations in Lao PDR include:

1. Economic associations;
2. Professional, technical and creative associations;
3. Social welfare associations;
4. And others.

Article 8 Levels of Associations

Associations are classified into three levels:

1. Associations operating at the national level;
2. Associations operating at province or capital level;
3. Associations operating at district or municipality or village level.

Article 9 National Level Associations

National level associations are associations registered and operating throughout the country or in parts covering several provinces and/or capital.

Article 10 Province or Capital Level Associations

Province or capital level associations are associations registered and operating within a specific province or the capital.

Article 11 District or Chief-Town or Village Level Associations

Associations operating within a district or chief-town or village are associations registered and operating within a specific district or chief-town or village only.

PART III

Association Incorporating Regulations and Procedures

Article 12 Rules and Procedures in Applying for an Association's Incorporation

Associations are incorporated under the following rules and procedures:

1. Upon appointment of the mobilization committee by the association's founder, the authoritative agency is to be notified as outlined in Article 50.1 and Article 50.3 of this Decree for consideration;
2. The mobilization committee is required to file proper and complete documentation as required under Article 13 of this Decree to the province governor, capital mayor or President of the General Department of Public Administration and Civil Service for approval subject to recommendations from the relevant ministries or line authorities concerned;
3. Within 30 days from the receipt of the association's incorporation documentation, the registration authority shall issue a temporary license or reject the incorporation;
4. Upon receiving a temporary license, the mobilization committee prepares and carries out a statutory general assembly;
5. The mobilization committee is dissolved automatically as the association's general assembly elects its board;
6. The association will be automatically incorporated upon issuance by the licensing agency indicated in Articles 50.1 and 50.3 of this Decree of a decision adopting the association's charter.

Article 13 Association License Application

The mobilization committee is required to file the following documentation in full:

1. Association incorporation application;
2. Draft charter of the association;
3. Personal history, certificate of residence, police record, diplomas of the mobilization committee's members;
4. List of individuals or organizations enrolled voluntarily with the association;
5. Certification of the association's office.

Article 14 Association's Name, Office, Logo and Stamp

1. Name

The association's name shall be in Lao, clear, understandable, void from any impolite language and if required, may be translated into a foreign language.

2. Office

The association's office shall be set up in Lao PDR under lawful freehold or leasehold title.

3. Logo

Associations are authorized to have their own logos.

4. Stamp

Associations have their own stamps authorized by the relevant government organizations in the sizes and forms set out under relevant laws and regulations.

Article 15 Charter

Mobilization committees elaborate their associations' charter in line with the Government's policy guidelines and legislation. Upon approval by the association's general assembly, charters are submitted to the authoritative agencies. Charters of associations outline the following principal matters:

1. Name of the association;
2. Office location;
3. Logo (if any);
4. Objectives, scope and field of the association's activities;
5. Principles underlying the association's organization and activities;
6. Standards and criteria for each type of member;
7. Rights and obligations of each type of member;
8. Rules on membership and termination of membership;
9. Organs or officers entitled to grant or terminate membership;
10. Organizational structures of the association;
11. Mandates, rights, procedures on the election, appointment and dismissal of the executive and control boards, secretary general and members;
12. Finance and assets of the association;
13. Merger, separation and dissolution rules and procedures;
14. Awards and disciplinary sanctions;
15. Charter improvement, amendment and addition rules and procedures;
16. Complaint and complaint resolution rules;
17. Effectiveness of the association's charter.

Article 16 Statutory Assembly

Within 90 days from receiving the association's license, the mobilization committee shall prepare and organize an assembly to present the association's incorporation license, deliberate over the association's charter, elect the executive and control boards, approve the association's work plan and resolution of the statutory assembly.

Within 30 days from the assembly's closing date, the association's executive board is required to send a report on the assembly's outcome, minutes of the executive and control boards' election, draft charter of the association, work plan and resolution of the statutory assembly to the authoritative agency indicated under Articles 50.1 and 50.3 of this Decree for information and consideration.

Within 60 days from receiving the association's "draft" charter, the authoritative agency will examine and approve or disapprove the association's charter. In the event the charter may not be approved, the authoritative agency shall provide clear and complete explanations in writing to the relevant association.

Associations' charters are formally in effect and force from the date the authoritative agency issues a decision of approval.

PART IV

Location, Mandate, Rights, Duties, Obligations and Restrictions of Associations

Article 17 Location and Mandate

An association is a civil society organization which mandate is to build solidarity and mutual assistance between members and extend assistance to the society; protect the legitimate rights and interest of the association, its members or the community; participate in national construction and development, and poverty eradication.

Article 18 Rights and Duties of Associations

Associations have the following rights and duties:

1. Operate in line with the Government's policies, laws and regulations, and their charters;
2. Widely publicize their objectives;
3. Protect the legitimate rights and interest of their associations, members or communities;
4. Accept new members or dismiss members from their associations, train and upgrade their members' skills and knowledge;
5. Provide advice and recommendations, report and verify equity issues in their fields or sectors of activities in line with the laws and regulations;
6. Carry out economic activities under the laws and regulations;
7. Cooperate with foreign parties and international organizations as approved by the licensing agency and within the scope permitted by the laws and regulations;
8. Exercise other rights and perform other duties set out in the associations' charters and in the laws and regulations.

Article 19 Obligations of Associations

Associations have the obligation to:

1. Remit duties, taxes, fees and charges in compliance with the relevant laws and regulations;
2. File annual reports with the licensing agency and government organizations concerned on the status of their organization, activities, expenditures and budgets;
3. Strictly implement the State Audit Law and associations' accounting and finance management rules and regulations;
4. Perform other obligations as required under the laws and regulations.

Article 20 Restrictions

Associations are subject to the following restrictions:

1. They are forbidden to abuse rights of freedom in setting up associations or the status of associations to act in contravention with the Constitution and laws.
2. Any acts threatening national stability, security and social order, other persons' rights of freedom and the fine national, local and ethnic traditions are forbidden;
3. Undermining the national, collective and individual interest is forbidden;
4. Any acts conducive to the undermining of national, local and ethnic solidarity are forbidden.

PART V Organizational Structures

Section 1 Staff

Article 21 Staff

Staff of associations includes:

- Executive Board;
- Supervision Board;
- Secretary General;
- And other officers stipulated in the associations' charters.

Section 2 Mandate, Rights and Duties of the Board

Article 22 Mandate

An association's executive board is an organ elected by the association's assembly and which mandate is to guide all activities and decide over the association's main affairs between 2 sessions of the general assembly.

Article 23 Rights and Duties

An association's executive board has the right and duty to:

1. Examine and set necessary measures to execute the assembly's resolution;

2. Examine and approve the association's annual work plan and budget and set enrolment and membership fees, and other revenues and expenses of the association;
3. Consider and decide the organizational structures, appointments of the heads and deputy heads of the association's technical divisions;
4. Elect members of the permanent members of the Executive Board (if necessary) and the Supervision Board of the association;
5. Elect, appoint or dismiss the president, vice-president, secretary general, members of the permanent board (if any), approve the nomination of the control board's president, appoint or dismiss heads of the association's organs;
6. Support and supervise activities of the permanent board and organs of the association;
7. Exercise other rights and perform other obligations stipulated in the association's charter.

Section 3

Mandate, Rights and Duties of the Supervision Board

Article 24 Mandate

The Control Board is an organ elected by the association's assembly. Its role is to assist the association's executive board in controlling all activities carried out by the association to ensure their compliance with the association's charter and the laws and regulations.

Article 25 Rights and Duties

The Control Board's main rights and duties include:

1. Carrying out routine control and control in the event of breach to the association's charter or work procedures;
2. Controlling the elaboration and implementation of resolutions of the assembly, executive board and permanent board (if any);
3. Control the management and expenses of their associations;
4. Examine and settle complaints, petitions and requests from members within the scope of their rights;
5. Execute other rights and perform other duties stipulated in the association's charter.

Section 4

Mandate, Rights and Duties of the Secretary General

Article 26 Mandate

An association's secretary-general assists the president of the association's executive board and is elected by the executive board to administer, support routine activities of the association and organizations under the association's

management. Furthermore, the secretary-general is also in charge of specific areas of activities assigned by the president of the executive board.

Article 27 Rights and Duties

The secretary general of an association is vested with the rights and duties to:

1. Prepare documents, agenda for meetings of the executive board or permanent board (if any);
2. Present views and proposals to the President, Vice President of the association's Management Board on different issues;
3. Prepare the association's monthly, quarterly, semi-annual and annual reports for presentation to the Board or relevant government organizations;
4. Build conducive conditions and facilities as may be necessary for the performance of their activities by the association, board, President and Vice-President of the board;
5. Contact and coordinate with other associations, party and government organizations concerned on behalf of the association;
6. Execute other rights and perform other duties stipulated in the association's charter.

Article 28 Structures

The Secretary-General Office is a permanent support organ of the association providing support to the executive board in the management and administration of the association's activities.

PART VI Members of Associations

Article 29 Members of Associations

Members of associations include:

1. Ordinary members;
2. Supporters;
3. Honorary members.

Article 30 Ordinary Members

Ordinary members are organizations or Lao citizens that acknowledge the associations' charters, willingly enrol and fulfil all ordinary membership eligibility criteria set out in the associations' charters.

Ordinary members' rights, obligations, admission or termination of membership are governed by the associations' charters.

Article 31 Supporters

Supporters are organizations or Lao individuals that acknowledge the associations' charters, willingly enrol, participate and contribute to associations

but do not meet membership eligibility criteria in full under the associations' charters or do not yet intend to enrol as ordinary members.

Supporters have similar rights and obligations as ordinary members but have no rights to elect and be elected to positions within the executive board, Control Council, Secretary-General and to vote on matters relating to associations.

Admission or dismissal of supporters is regulated by the associations' charters.

Article 32 Honorary Members

Honorary members are representatives of organizations or Lao citizens of recognized role, personality, social standing having previously contributed to the associations' activities and invited as honorary members of such associations.

Article 33 Advertising and Increased Membership

Each association's advertising and increased enrolment must be notified in writing to the accrediting agency and local administrative authorities.

PART VII Meetings of Associations

Article 34 Meetings

An association holds the following meetings:

1. General Assembly;
2. Extraordinary General Assembly;
3. Executive Board Meeting.

Article 35 General Assembly

The General Assembly of an association is the association's supreme organ that is held in the form of general assembly of members or general assembly of members' representatives as may be stipulated in the association's charter.

Sessions of the general assembly are held as stipulated in the association's charter, but no later than within five years from the previous session. In the event a general assembly may not be held, the President of the Board is required to provide the reasons in writing to the government organizations concerned.

Article 36 Extraordinary General Assembly

An association holds an extraordinary general assembly in the circumstances stipulated in its charter or at the request from over half of its members or at least two-thirds of the board members.

Rules and voting procedures at meetings are stipulated by the association's charter.

Article 37 Board Meetings

The Board meets as prescribed by the association's charter and in any case once a year to review the previous year's activities and develop the following year's work plan.

Article 38 Notice and Report of General Assembly

Prior to a general assembly, the Board is required to apply for the authorization and notify in writing the agenda and identity of the Board's Chairperson or Vice Chairperson to the accrediting agency within 30 days prior to the date proposed for the general assembly. Upon completion of the general assembly, its outcome shall be reported to the licensing agency within no later than 30 days.

PART VIII

Merger, Separation, Dissolution of Associations and Organization of Union of Associations

Article 39 Merger and Separation of Associations

A merger between associations into a single association or separation of an association into several associations shall be carried out consistently with such associations' charters on the basis of the consent of such associations and their members, and with the licensing agency's approval.

Article 40 Dissolution

An association will dissolve in any of the following circumstances:

1. Expiry of the operating term stipulated in its charter;
2. At the requirement of over half of its members;
3. Attainment of objectives stipulated in its charter;
4. Dissolution by decision of the government for failure to operate over a period of over 12 months, expiry of operating term without the association initiating its dissolution or upon gross violation of the laws or the association's charter.

A dissolved association's duties and rights lapse from the date the General Department of Public Administration and Civil Service or province/capital administrative authorities cancels the association's license.

Article 41 Obligations of a Willingly Dissolving Association

The association's executive board is required to prepare and forward the following documents to the General Department of Public Administration and Civil Service (in the case of national associations) or to the province/capital administrative authorities (in the case of province, capital, district and chief-town associations):

1. Application for the association's dissolution;
2. Resolution or minutes of meeting on the association's dissolution;
3. Records of assets, liabilities, revenues and expenditures, and remaining treasury;

4. Outstanding liability and remaining assets settlement plan.

Article 42 Organization of Federations of Associations

1. Associations formally incorporated and operating within the same area and sectors of activities may establish a federation of associations on a voluntary and consensual basis;
2. Membership or termination of membership in a federation of associations is based on each association's will as stipulated in its charter;
3. Merger, separation and dissolution of federations of associations shall be as stipulated under Articles 39, 40 and 41 of this Decree.

Article 43 Opening of Representative Offices or Branches

Associations may open representative offices or branches subject to the approval of local administrative authorities and organizations concerned.

PART IX

Finance and Assets of Associations

Section 1

Finance of Associations

Article 44 Associations' Sources of Revenues

Revenues are obtained by associations from different sources:

1. Membership fees;
2. Donations by local and foreign individuals or entities in compliance with the laws and regulations;
3. Income generated from their activities;
4. Other lawful sources of revenues.

Article 45 Management of Associations' Revenues and Expenditures

Associations shall manage their revenues and expenditures in compliance with their charters and the relevant laws and regulations.

Gross overhead costs may not exceed 25% of the associations' planned expenditures.

Section 2

Assets of Associations

Article 46 Assets of Associations

Associations' assets include buildings, land, vehicles, equipment and other assets obtained through contributions by members, purchases, donations, grants from individuals, organizations, local and foreign persons or the government.

Article 47 Management and Use of Associations' Assets

- The Government recognizes and protects associations' lawful properties;
- The management and use of associations' properties are regulated by their charters and the relevant laws and regulations.

PART X

Development of Associations' Role and Government Policy towards Associations

Article 48 Promotion and Development of Associations' Role

The Government promotes and develops associations' roles as follows:

1. By guaranteeing the citizens' right of freedom in setting up associations in line with the laws and regulations;
2. By setting favourable conditions for associations' activities and by protecting the legitimate rights and interest of associations and their members;
3. By encouraging associations' open and transparent activities and their sustainable development;
4. By promoting the role of associations operating in the sectors of education, health, sciences and techniques, sports and environment;
5. By enacting laws and regulations as reference for associations' activities and to promote their sustainable growth.

Article 49 Government Policy Towards Associations

The Government applies the following policy towards associations:

1. Constantly increasing transfer of public services to associations with detailed measures to encourage and promote associations in undertaking public services, social aid and poverty reduction;
2. Authorization to receive donations in cash and in kind from local and foreign individuals, entities and organizations in accordance with the laws and regulations;
3. Tax reduction or exemption for associations in compliance with the relevant laws and regulations;
4. Facilitation, recommendation and assistance through ministries, agencies, line and local administrative authorities concerned to support associations' efficient activities in line with the Government's policies, guidelines and legislation.

PART XI

Management and Control of Associations

Section 1

Management of Associations

Article 50 Associations Management Agencies

The Government centralizes associations' unified and countrywide management through the following agencies:

1. The General Department of Public Administration and Civil Service of the Prime Minister's office;
2. Ministries and line authorities concerned;
3. Province/capital administrative authorities.

Article 51 Rights and Duties of the General Department of Public Administration and Civil Service of the Prime Minister's Office

The General Department of Public Administration and Civil Service at the Prime Minister's Office is vested with the following rights and duties:

1. Draft and submit policies and laws on associations to higher authorities for consideration and enactment in conjunction with agencies concerned;
2. Advertise, disseminate and advise on the implementation of policies, laws and regulations relating to associations;
3. Examine and consider authorizing the incorporation, merger, separation or dissolution of associations indicated in Article 9 of this Decree;
4. Monitor, control, inspect the organization and activities of associations indicated in Article 9 of this Decree;
5. Advise ministries, central equal ranking agencies and province and district administrative authorities on the management and control of associations' activities;
6. Examine and resolve complaints, petitions and requests within the scope of its rights.

Article 52 Rights and Duties of Ministries and Line Authorities

Ministries and line authorities are vested with the following rights and duties:

1. Examine and provide opinions on proposed incorporation, merger, separation and dissolution of associations relating to fields and sectors of activities under their preview;
2. Advertise, disseminate and advise associations on the implementation of policies, laws and regulations relating to their activities;
3. Advise, facilitate, monitor and supervise the alignment of associations' activities with their activities and role;
4. Propose accrediting agencies or the Government to award associations with prominent achievements in contribution to development and social assistance in sectors under their preview.

Article 53 Rights and Duties of Province/Capital Administrative Authorities

Province/capital administrative authorities are vested with the following rights and duties:

1. Examine and approve the incorporation, merger, separation or dissolution of associations indicated in Articles 10 and 11 of this Decree;
2. Advertise, disseminate and advise on the implementation of policies, laws and regulations on associations;

3. Advise, facilitate, monitor and supervise associations' efficient and proper activities in line with their objectives and role;
4. Review, examine and resolve complaints, petitions and requests with the scope of their rights;
5. Award or propose the competent government agencies to award associations with prominent achievements in contributing to development and social assistance in their jurisdictions.

Article 54 Coordination

1. The General Department of Public Administration and Civil Service coordinates with ministries and line authorities concerned prior to authorizing the incorporation, merger, separation and dissolution of associations indicated in Article 9 of this Decree;
2. Ministries and line agencies concerned report the activities of associations operating in their territories and sectors to the General Department of Public Administration and Civil Service;
3. Province/capital administrative authorities coordinate with the line agencies concerned at the province level prior to authorizing the incorporation, merger, separation and dissolution of associations indicated in Articles 10 and 11 of this Decree;
4. Departments concerned report the activities of associations operating in their sectors to the local administrative authorities.

Section 2 Control of Associations

Article 55 Associations Control Agencies

Agencies entitled to control associations include:

1. Associations managing agencies indicated in Article 50 of this Decree;
2. Audit agencies;
3. State audit agency.

Article 56 Control of Associations

Associations control agencies have the duty to control the organization and activities of associations within the scope of their respective rights as follows:

1. Scrutinize the personal histories of associations' founders, mobilization committee and board chairperson;
2. Examine objectives stipulated in associations' charters;
3. Review annual reports on associations' organization and activities;
4. Review associations' annual financial reports;
5. Examine violations to associations' charters and the legislation.

PART XII Awards and Penalties

Article 57 Awards

Associations or members with prominent achievements in sustaining their associations' beneficial actions and merit and the nation will be awarded under various forms as stipulated by the associations' charters and the Government's policies

Article 58 Penalties

Associations or members breaching this Decree or other laws and regulations relating to associations will be warned, educated, subject to disciplinary measures, fines or legal action according to nature of their acts.

PART XIII Final Provisions

Article 59 Implementing Arrangements

Ministries, central agencies, local administrative authorities and local civil society organizations shall acknowledge and strictly abide by this Decree.

The General Department of Public Administration and Civil Service at the Prime Minister's Office is in charge of the implementation and issuance of detailed recommendations in furtherance of this Decree.

Article 60 Effectiveness

This Decree enters into effect within one hundred and eighty days from the date it is signed in view of providing ministries, central agencies, local administrative authorities and associations time for preparation of implementing conditions. Any decisions and rules inconsistent with this Decree are superseded.

Associations incorporated and operating prior to this Decree's date of effectiveness shall file complete documentations as required under Article 13 of this Decree with the accrediting agencies as stipulated under Articles 50.1 and 50.3 of this Decree to apply for their re-incorporation within ninety days from this Decree's date of effectiveness.

Prime Minister of Lao PDR
Bouasone Bouphavan