



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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President's Office

No. 44/PO

**DECREE**  
*of the*  
**PRESIDENT**  
*of the*  
**LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**On the Promulgation of the Law on Resolution of Economic Disputes**

Pursuant to the Chapter 6, Article 67, point 1 of the Constitution of the Lao People's Democratic Republic which provides for the promulgation of the Constitution and of laws adopted by the National Assembly;

Pursuant to Resolution No. 27/NA, dated 20 May 2005, of the National Assembly of the Lao People's Democratic Republic regarding the adoption of the Law on Resolution of Economic Disputes; and

Pursuant to Proposal No. 06/NASC, dated 23 May 2005, of the National Assembly Standing Committee.

**The President of the Lao People's Democratic Republic  
Decrees That:**

- Article 1.** The Law on Resolution of Economic Disputes is hereby promulgated.
- Article 2.** This decree shall enter into force on the date it is signed.

Vientiane, 25 May 2005

The President of the Lao People's  
Democratic Republic

*[Seal and Signature]*

Khamtai SIPHANDON



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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National Assembly

No.02/NA  
19 May 2005

**LAW ON RESOLUTION OF ECONOMIC DISPUTES**

**Part I**  
**General Provisions**

**Article 1. Purpose**

The Law on Resolution of Economic Disputes determines the principles, regulations and measures regarding the resolution of economic disputes by mediators or arbitrators in order to ensure that economic disputes are solved fairly<sup>1</sup> [and] speedily in order to promote the production and expansion of business, [and] to contribute to a civilized and just national socio-economic development plan.

**Article 2. Economic Disputes**

Economic disputes are conflicts which takes place in relation to production and business operations between organisations and [other] organisations, organisations and individuals [, and] individuals and [other] individuals[,] both domestic and foreign.

**Article 3. Resolution of Economic Disputes**

Economic disputes shall be resolved by amicable settlement between the parties to the dispute, mediation [or] by arbitration.

Resolution of economic disputes shall be handled in compliance with this law, other laws and regulations of the Lao PDR and rules for the resolution of economic disputes selected by the parties to the dispute in

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<sup>1</sup> In Lao, a comma is often used, without further elaboration, to mean “and”. Wherever the intended meaning is clear, the translators have translated such commas in one of two ways: (I) by deleting the comma and substituting it with the word “and” in square brackets (i.e., [and]); or (ii) by retaining the comma and adding the word “and” in square brackets (i.e., [and]). Where the meaning is more ambiguous, the translators have translated the text literally, retaining the comma alone.

accordance with agreements and treaties which the Lao PDR has signed or is a party to.

#### **Article 4. Conditions for Economic Dispute Resolution**

The resolution of a dispute must be conducted according to the following conditions:

- The [dispute] shall be an economic dispute;
- The [submission of the dispute for resolution] shall be agreed upon by the parties;
- The economic dispute shall not be a dispute on which the people's court is in the process of adjudicating or has already issued a final judgment;<sup>2</sup>
- The resolution of the economic dispute shall be consistent with the actual situation, [and] shall not violate rules relating to the resolution of economic disputes, [or] laws and regulations pertaining to stability, peace and social order.

#### **Article 5. Impartiality in the Resolution of Economic Disputes**

In the resolution of economic disputes, mediators or arbitrators must be impartial in the performance of their duties, follow the laws and regulations [and act] without interference from other persons or organisations.

#### **Article 6. Equality between the Parties to the Dispute**

In the resolution of economic disputes, the parties have equal rights, [and] the parties may participate [in the resolution] by themselves or through a representative.

#### **Article 7. Confidentiality**

In the resolution of economic disputes, mediators or arbitrators, the parties and other participants must maintain confidentiality of all information and documents used in the resolution or arbitration [and] shall not disclose them to third parties<sup>3</sup>.

#### **Article 8. Language Used**

In the resolution of economic disputes in the Lao PDR, the Lao language must be used. A participant to the resolution of a dispute who does

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<sup>2</sup> Readers may wish to refer to the Law on Civil Procedure for information regarding the manner in which claims are brought in the people's courts.

<sup>3</sup> The literal translation of this term is "outside persons".

now the Lao language has the right to use his<sup>4</sup> own language or other languages through translation.

## **Article 9. International Relations**

The State promotes international relations and cooperation in the resolution of economic disputes by coordination, exchange of experience, upgrading of knowledge and capacity building of the staff of economic dispute resolution organisations, in accordance with agreements and treaties which the Lao Peoples' Democratic Republic has signed or is a party to[,] in order to ensure the efficiency [of economic dispute resolution].

## **Part II Organisation of Economic Dispute Resolution**

## **Article 10. Status and Role**

The organisation of economic dispute resolution [refers to] an organisation attached to the justice sector<sup>5</sup> which has the role to manage and facilitate economic dispute resolution [to ensure] a just, speedy and fair resolution.

## **Article 11. Organisational Structure**

The organisational structure which handles economic dispute resolution consists of 2 levels:

- Central level;
- Provincial level.

At the central level, there is an Office of Economic Dispute Resolution abbreviated as "OEDR". [Such office] is equivalent to a department and is part of the Ministry of Justice.

At the provincial level, where necessary, there is a Unit of Economic Dispute Resolution abbreviated as "UEDR". The chief of a UEDR has a title equivalent to a deputy chief of a provincial division and is part of the justice division.<sup>6</sup>

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<sup>4</sup> Readers should note that the Lao language does not distinguish between genders in pronouns. In this translation, a reference to a gender is a reference to all genders, unless the context requires otherwise. The translators' decision to use the male gender was made in the interests of simplicity and consistency.

<sup>5</sup> The word "sector" is often used in Lao to describe the cluster of governmental agencies responsible for certain matters. Here, the reference is to the cluster of governmental agencies responsible for justice.

<sup>6</sup> For readability, this paragraph, which was a single sentence, has been divided into two sentences.

Regulations concerning the organisation and function of the OEDR and UEDR are determined separately.

**Article 12. Staff Structure**

- The OEDR has a director general, a deputy director general, [and] technical and administrative staff.
- [Each] UEDR has a director, a deputy director, [and] technical and administrative staff.

**Article 13. Rights of the OEDR**

The OEDR has the following rights:

1. To properly, speedily and fairly administer and support the resolution of economic disputes throughout the country;
2. To receive economic dispute resolution petitions, [and to] examine and handover such petitions to the mediator or arbitrator for resolution if such petitions fulfil the conditions;
3. To demand information and evidence from the parties;
4. To propose to the Minister of Justice the appointment of mediators or arbitrators to the list of mediators and arbitrators of the OEDR, [and] to propose the discharge of mediators or arbitrators who do not perform properly;
5. To appoint a mediator or arbitrator for the resolution of a dispute;
6. To exercise such other rights as provided in the laws and regulations.

As far as a UEDR is concerned, it has the same rights as the OEDR except the rights stipulated in point 4 of this article.

**Article 14. Duties of the OEDR**

1. To coordinate with the parties and relevant organisations in order [to facilitate] the mediators and arbitrators in the resolution of economic disputes;
2. To monitor [and] record the result of the enforcement of mediation settlement agreements, settlement agreements of the parties and arbitral awards;
3. To devise and print documents and regulations regarding economic dispute resolution;
4. To study [and] improve laws and regulations regarding economic dispute resolution for submission to the higher authority for consideration;
5. To study and submit proposals to the Ministry of Justice relating to the training and the upgrading of the technical skills of OEDR and UEDR [staff];

6. To disseminate laws and regulations and economic dispute resolution activities<sup>7</sup>;
7. To liaise and cooperate internationally in the area of economic dispute resolution;
8. To prepare reports, evaluate and report on economic dispute resolution to the Ministry of Justice;
9. To perform such other duties as provided in the laws and regulations.

As far as a UEDR is concerned, it has the same duties as the OEDR, except points 3 and 7 of this article.<sup>8</sup>

#### **Article 15. Types of Economic Dispute Resolution**

There are 2 types of economic dispute resolution: resolution of dispute by mediators and by arbitrators.

#### **Article 16. Mediators and Arbitrators**

Mediators and arbitrators are individuals from organisations, [and] State and private business units[,] or foreign individuals who volunteer [to act as such,] and are appointed by the Minister of Justice based upon selection and proposal by the OEDR.

#### **Article 17. Criteria of Mediators and Arbitrators**

Mediators and arbitrators must meet the following criteria:

1. Have a good personality, good ethics and honesty;
2. Have technical knowledge supported by a proper certificate;
3. Have a minimum of 5 years of practical experience in their [respective] fields of study;
4. Have never been sentenced to imprisonment;
5. Be in good health.

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<sup>7</sup> This appears to be a reference to dissemination of information relating to economic dispute resolution activities.

<sup>8</sup> The translators have used three terms to describe the three different types of “results of economic dispute resolution” as contemplated by this law: (i) a mediation settlement agreement (see Article 24(1)); (ii) an arbitral award (see Article 34) and (iii) a settlement agreement between the parties prior to an arbitral award (see Article 32). See also Article 37.

**Part III**  
**Procedure of an Economic Dispute Resolution**

**Chapter 1**  
**Petition**

**Article 18. Contents of the Petition**

A petition shall be made in writing and shall include the following key contents:

1. The name and surname, age, occupation, nationality, address and location of the petitioner, his representative and the other party;
2. The purpose, grounds [and] value of the dispute;
3. The agreement of the parties to bring the dispute to be resolved by the OEDR or a UEDR (if any);
4. The name and surname, age, occupation, nationality and address of witnesses.

The petition regarding the economic dispute resolution must be affixed with a tax stamp in accordance with regulations and filed with the OEDR or UEDR where it is most convenient [to the petitioner].

**Article 19. Acceptance of Petition**

The OEDR or UEDR will accept a petition regarding an economic dispute for resolution only if the parties have agreed in their contract to submit their dispute to the OEDR or UEDR.

In the event that the parties have not agreed in their contract [to use the OEDR or UEDR], the parties may decide to use the OEDR or UEDR when the dispute arises.

Upon acceptance of the petition, the OEDR or UEDR must check the petition to decide whether to accept it or not. If the OEDR or UEDR does not accept the petition, it must notify the petitioner of the reasons for rejecting the petition within ten days from the date of receipt of the petition.

In the event that the petition is accepted, the OEDR or UEDR must invite the parties to carry out the resolution [process]. If one or both do not appear without a valid reason or in the event that the petition does not fulfil the requirements stipulated in articles 4 and 18 of this law, such petition will not be considered.

**Article 20. Selection of Types of Dispute Resolution**

Once the OEDR or UEDR has accepted a petition for economic dispute resolution, it shall invite the parties to discuss and decide whether to use mediation or arbitration.

## **Chapter 2 Mediation**

### **Article 21. Appointment of Mediators**

Mediators must always be appointed in an odd number. There may be one or more mediators depending on the agreement of the parties.

In the event that the parties agree to have one mediator, the OEDR or UEDR shall provide a list of at least three mediators to each party for selection. The parties shall agree to one mediator from the list. If the parties cannot decide on the selection of a mediator within fifteen days, the OEDR or UEDR will select a mediator based on knowledge, competence, experience and integrity.

In the event that the parties agree to have three mediators, the OEDR or UEDR shall provide a list of at least five mediators to each party so that each party can select one mediator. Thereafter the mediators from both parties shall select a third mediator from the list who will be the chairman of the mediation committee.

In the event that one or both parties are unable to select a mediator or are unable to make a selection within fifteen days from the date the OEDR or UEDR has provided the list, or if the two mediators who were selected are unable to select a third mediator or are unable to make a selection within fifteen days from the date they have been selected, the OEDR or UEDR will select [the third mediator].

In the event that the parties agree to have more than three mediators, the principles stipulated in the above paragraph[s] apply.

In all cases[,] the appointment of mediators must first be approved in writing by the mediators and the parties.

The OEDR or UEDR shall appoint the mediators within seven days from the date of receipt of the list of mediators which the parties wish to have appointed.<sup>9</sup>

### **Article 22. Disqualification and Recusal of a Mediator**

The parties have the right to object to a mediator, [and] the mediator himself has the right to disqualify<sup>10</sup> himself if he is a relative or has an interest in or a dispute with one of the parties.

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<sup>9</sup> The distinction between “selection” and “appointment” is deliberate in this article, appointment being the province of the OEDR and UEDR only.

<sup>10</sup> This article deals with both the parties’ right to disqualify the mediator and the mediator’s right to recuse or disqualify himself. Readers may wish to refer to Article 14 of the Civil Procedure Law where the latter is also addressed.

In the event that an appointed mediator disqualifies himself or has been objected to or is unable to perform his duties, a new mediator shall be selected and appointed. The procedure for selecting a new mediator is as provided in Article 21 of this law.

#### **Article 23. Conduct of Mediation**

The mediation must be conducted within fifteen days from the date of appointment of the mediators. Mediation must be conducted in the presence of the parties or their authorized representatives.

[Each of] the parties has the right to present the issues, data and evidence regarding the dispute to the mediators and to the other party at any time during the mediation.

The mediators have the right to propose a solution to the parties at any time during the mediation.

The mediation must be recorded in writing. The record of the mediation must contain the key contents as provided in Article 26 of this law.

#### **Article 24. End of Mediation**

Mediation will come to an end upon the occurrence of the following circumstances:

1. The parties are able to come to an agreement;
2. One of the parties or both parties do not appear at the mediation without a reason;
3. The parties are unable to come to an agreement.

#### **Article 25. The Parties are Unable to Reach an Agreement**

In the event that the parties are unable to reach an agreement, the parties may decide to bring the dispute to the OEDR or UEDR for arbitration. A mediator who was involved in the mediation of a dispute cannot perform as arbitrator in the same dispute.

In the event that the parties do not wish to use the OEDR or UEDR for arbitration, they may bring their dispute to the people's courts.

#### **Article 26. Memorandum of Mediation**

A memorandum of mediation shall have the following key contents:

1. The day, time, month, year, name, reference number of dispute and venue of mediation;
2. The name and surname of the mediator(s) and the memorandum-taker;

3. The name and surname, age, occupation, nationality and address of the parties or representatives of the parties;
4. Key matters relating to the economic dispute;
5. The settlement [of the parties] and proposals and matters presented by the parties;
6. Each party's responsibilities in relation to service charges and other fees;
7. The method of enforcement of the mediation settlement;
8. The signatures of the parties or their representatives, [signatures of] mediator(s) [and] the memorandum-taker[,] and the signature of the director general of the OEDR or [the director of] the UEDR where the mediation took place.

### **Chapter 3 Arbitration**

#### **Article 27. Appointment of Arbitration Panel**

The arbitration panel must always have an odd number [of arbitrators] which may be three or more depending on the agreement of the parties.

The selection of arbitrators must be in accordance with Article 21 of this law.

#### **Article 28. Disqualification and Recusal of an Arbitrator**

The disqualification and recusal of an arbitrator must be in accordance with Article 22 of this law.

#### **Article 29. Collection of Evidence**

In preparing for an arbitration<sup>11</sup>, the arbitration panel must examine the petition, collect information [and] evidence[,] and hear the statements of involved witnesses.

If necessary, the arbitration panel must collect information, evidence at site, [and] invite experts, involved witnesses to provide clarification or related documents [to it].

Once the arbitration panel has collected complete information and evidence, the parties must be invited and be given one final opportunity to provide explanation and reasons, [and to] bring witnesses and evidence.

#### **Article 30. Duration of Arbitration**

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<sup>11</sup> The literal translation of this phrase is "resolution of economic dispute by arbitrators". The translators have used the term "arbitration" for this phrase.

Generally, arbitration shall be completed within three months from the date the OEDR or UEDR accepted the petition. In the case of complicated disputes, the arbitration shall not exceed six months. In the case of particularly highly complicated disputes, the arbitration shall not exceed twelve months from the date of receipt of the petition.

In the event that the arbitration cannot be completed within the specified timeframe, the OEDR or UEDR shall notify the parties of the reason for the delay.

**Article 31. Measures to Protect the Interests of the Parties**

During the arbitration, the parties have the right to demand that the arbitration panel request the people's court to issue an order to seize, confiscate or take other measures to protect their interests. If such demand is reasonable, the arbitration panel will request the people's court to issue an order or take measures to protect the interests of the parties.

The people's court must examine the request within fifteen days from the date of receipt of such request.

**Article 32. Right to Resolve the Dispute by the Parties**

After the arbitration panel has accepted the dispute of the parties, the parties still have the right to come to a settlement before an arbitral award is given. The settlement of the parties shall be made in writing and must be signed by the parties, the arbitration panel and the director general of the OEDR or [the director of the] UEDR where such arbitration takes place.

The settlement of the parties prior to an arbitral award has the same force as an arbitral award.

**Article 33. Timeframe for Issuing an Arbitral Award**

An arbitral award must be issued not later than fifteen days from the date of completion of collection of information and evidence.

**Article 34. Principles Used in Arbitration**

The arbitral award must be within the scope of the petition of the parties. In the event that the arbitration panel cannot reach a unanimous decision, the award will be given based on a majority vote.

The arbitral award must be read out in the presence of the parties and shall be effective from the date it is issued.

If[,] upon invitation[,] one of the parties does not appear without a reason, the arbitration panel will read out the award without the presence of

such party and send such arbitral award to each party. The arbitral award will become effective from the date the parties have received such award.<sup>12</sup>

#### **Article 35. Contents of an Arbitral Award<sup>13</sup>**

An arbitral award shall have the following key contents:

1. The day, time, month, year, name, reference number of dispute and venue of arbitration;
2. The name and surname of the arbitrators and the memorandum-taker;
3. The name and surname, age, occupation, nationality and address of the parties or representatives of the parties;
4. The decision and grounds of the arbitration panel;
5. The arbitral award and measures to enforce such award;
6. Each party's responsibility in relation to service charges and other fees;
7. The signatures of all arbitrator(s), of the memorandum-taker and signature of the director general of the OEDR or [the director of the] UEDR where the arbitration took place.

#### **Article 36. Amendment of an Arbitral Award**

An arbitral award may be amended pursuant to the request of one or both parties as long as the mistake relates to calculation or printing errors which do not affect the substance of the arbitral award. The request to amend the arbitral award must be submitted to the OEDR or UEDR that issued the award within fifteen days from the date the parties become aware.<sup>14</sup>

The examination of the request to amend the arbitral award must be completed within fifteen days from the date of receipt of the request.

### **Part IV Implementation of the Results of Economic Dispute Resolution**

#### **Article 37. Results of Economic Dispute Resolution**

The results of economic dispute resolution consist of:

1. Mediation settlement agreements;
2. Settlement agreements before the issuance of arbitral awards;
3. Arbitral awards.

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<sup>12</sup> Although not explicit, it would appear that the phrase "effectiveness upon receipt" only applies to the case where one party is absent from the reading of the award.

<sup>13</sup> The term "award" is used in two ways, one refers to the document and the information in it, and the other refers to the outcome of the arbitration itself.

<sup>14</sup> This is a reference to the date when the parties become aware of the mistake or error.

### **Article 38. Obligations of the Parties**

The parties have the obligation to implement the results of economic dispute resolution within fifteen days from the date the decision<sup>15</sup> was issued or from the date the parties became aware of the arbitral award in the event that the parties were not present at the arbitration.

### **Article 39. Rights of the Disadvantaged Party**

The party which is in a disadvantaged situation because of the non-implementation of the result of any economic dispute resolution has the right to request the people's court to issue a final judgment in order to ensure that the result of economic dispute resolution is enforced.<sup>16</sup>

### **Article 40. Confirmation by the People's Court**

Upon receipt of the parties'<sup>17</sup> request, the people's court must issue a final judgment not later than thirty days from the date of receipt of the request. The court will only verify whether the dispute resolution procedure was in compliance with existing regulations on economic dispute resolution and verify compliance with laws and regulations pertaining to stability, peace and social order. If the verification confirms compliance, the people's court will confirm [the decision<sup>18</sup>], which will then become enforceable. The parties do not have the right to appeal unless the confirmation of the people's court was a confirmation of a wrong settlement or the confirmation by the people's court is inconsistent with the settlement agreement between the parties or the arbitral award.

In the event that the people's court finds that the result of economic dispute resolution has violated the laws and regulations stipulated in the above paragraph<sup>19</sup>, the court will not confirm the resolution. The parties have the right to request the OEDR or UEDR to re-examine the dispute or to file a claim in the people's court for adjudication.

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<sup>15</sup> The term "decision" is used as a generic term relating to the issuance of any of the three types of "result of economic dispute resolution".

<sup>16</sup> Readers may wish to refer to the Law on Judgment Enforcement for more information on procedures for judgment enforcement.

<sup>17</sup> The original Lao word is in the plural even though the context suggests that this ought to be a reference to the disadvantaged party or to a party aggrieved by a decision. Another alternative might have been to translate this as "upon receipt of a request from either of the parties". However, the original Lao version does not provide sufficient support for such translation.

<sup>18</sup> The term "decision" is used as a generic term relating to the issuance of any of the three types of "result of economic dispute resolution".

<sup>19</sup> This appears to be a reference to the "existing regulations on economic dispute resolution" the "laws and regulations pertaining to stability, peace and social order" referred to in the preceding paragraph.

**Article 41. Enforcement of Arbitral Awards of Foreign or International Economic Dispute Resolution Organisations**

Upon receipt of an arbitral award of a foreign or international economic dispute resolution organisation, the OEDR must examine [such award]. If it is found that the arbitral award is within the scope of the rights and duties of the Lao PDR as a party to international treaties relating to economic dispute resolution and such award is consistent with the laws of the Lao PDR, the OEDR shall call on the parties to guide implementation.

In the event that [one of] the parties does not implement [the award], the OEDR must inform the other party. The party which is in a disadvantaged situation has the right to request the people's court of the Lao PDR to issue a final judgment to ensure that the arbitral award is enforced.

If it is found that the arbitral award of the foreign or international economic dispute resolution organisation conflicts with the laws of the Lao PDR, the OEDR shall reject and return the arbitral award together with the reasons [for rejection] to such organisation.

**Part V**

**Expenses Relating to Economic Dispute Resolution**

**Article 42. Expenses Relating to Economic Dispute Resolution**

Expenses relating to economic dispute resolution consist of:

1. The service charge for economic dispute resolution;
2. The fee.

**Article 43. Service Charge for Economic Dispute Resolution**

The service charge [refers to] an expense incurred in relation to mediation or arbitration such as: honorarium of mediators or arbitrators, payment to experts [and] witnesses and other expenses relating to economic dispute resolution activities.

In order to facilitate economic dispute resolution, one or both parties shall make a deposit [for services] with the OEDR or UEDR in a certain amount as specified in the regulations. In the event that such deposit is not sufficient, an additional amount must be deposited. In the event that the deposit exceeds the required amount, the balance must be returned to the person making the deposit.

In the event that the resolution of [an] economic dispute ends without a settlement or arbitral award because the parties did not appear, the parties do not have the right to demand the return of the deposit made by them with the

OEDR or UEDR and spent on the service. The party that did not appear on the invitation of the OEDR or UEDR without giving a reason must be responsible.

Details regarding expenditures [relating to services] are determined separately.

#### **Article 44. Fee**

The fee [refers to] an obligation of the user of economic dispute resolution which should be paid to the State budget.

The collection of the fee must be as follows:

- For a dispute with a value under twenty million Kip, the fee is two hundred thousand Kip;
- For a dispute with a value between twenty million and one Kip to forty million Kip, the fee is four hundred thousand Kip;
- For a dispute with a value between forty million and one Kip to seventy million Kip, the fee is six hundred thousand Kip;
- For a dispute with a value between seventy million and one Kip to one hundred million Kip, the fee is eight hundred thousand Kip;
- For a dispute with a value higher than one hundred million Kip, the fee is one million Kip.

If the fee is in a foreign currency, the fee has to be converted into Kip currency according to the State bank exchange rate on that day.

The payment of the fee by the parties must be made after the completion<sup>20</sup> of economic dispute resolution by the OEDR or UEDR.

In the case of arbitration, as a rule, the party which loses the case shall pay the fee but the arbitration panel [may] determine that both parties pay [the fee] jointly as appropriate.

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<sup>20</sup> This term used here has a different connotation from “coming to an end” in Article 24. It also does not appear to be the word “decision” used in Article 38.

**Part VI**  
**Administration and Inspections<sup>21</sup> of Economic Dispute Resolution**

**Article 45. Organisation<sup>22</sup> Responsible for the Administration of Economic Dispute Resolution**

The organisation responsible for the administration of economic dispute resolution consists of:

- The Ministry of Justice;
- Justice offices in the provinces, cities and special zones.

**Article 46. Rights and Duties of the Ministry of Justice**

In administering economic dispute resolution[,] the Ministry of Justice has the following rights and duties:

1. To study and prepare strategic plans, programs, laws and regulations regarding economic dispute resolution for submission to the government for consideration and approval;
2. To issue decisions, orders, instructions and notifications regarding economic dispute resolution;
3. To supervise and administer economic dispute resolution according to a vertical line [of reporting] by collaborating with relevant sectors<sup>23</sup> and local administrations;
4. To administer the organisation and budget, and to inspect the performance[,] of the OEDR;
5. To amend, suspend, cancel [and] nullify orders, notifications or other legal acts issued by the OEDR and UEDR or [to] propose to other relevant organisations that they cancel legal acts of other sectors that conflict with the laws and regulations relating to economic dispute resolution;
6. To train and upgrade the knowledge, competence, behaviour, ethics, technical skills and working methods of staff, mediators and arbitrators of the OEDR and UEDR;

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<sup>21</sup> In the Lao language, the same word is used to represent all of the following related (but slightly different) concepts: “control”, “inspection”, “supervision”, “audit” and “monitoring”. As used in Chapter 5 of this law, the translators have chosen “inspection” (and its variants) as the most appropriate English equivalent but readers should note and bear in mind the other meanings that might have been intended. See Article 45.

<sup>22</sup> In the Lao language, the word roughly meaning “the entire organisation of responsible governmental agencies” is capable of being translated as any one of the following English words: “organisation”, “agency”, or “authority”. In choosing which English word to use, the translators have adopted the following convention. Where the governmental agencies in question have in practice adopted an English term for themselves (e.g., the Tax Authority), the translators have used that term. Otherwise, as in this law, the translators have used the generic term “organisation”.

<sup>23</sup> The term “sectors” refers to governmental clusters in this clause.

7. To propose to the Prime Minister to appoint, remove or transfer the director general of the OEDR in coordination with relevant sectors;
8. To appoint, remove or transfer the deputy director general of the OEDR and [the deputy director of a] UEDR in coordination with relevant sectors;
9. To appoint or remove mediators or arbitrators based on the recommendation of the OEDR;
10. To provide policies<sup>24</sup> to staff who have outstanding achievements and apply disciplinary measures against those who have committed wrongful acts in economic dispute resolution in coordination with relevant sectors;
11. To liaise with foreign countries in the area of economic dispute resolution;
12. To summarize, evaluate and report on economic dispute resolution activities to the government;
13. To exercise such other rights and perform such other duties as provided in the laws and regulations.

**Article 47. Rights and Duties of Justice Offices in Provinces, Cities and Special Zones**

In administering economic dispute resolution, the Justice Office in provinces, cities and special zones has the following rights and duties:

1. To implement strategic plans, programs, laws and regulations regarding economic dispute resolution issued by the higher authority;
2. To supervise the UEDR in the preparation and implementation of plans regarding economic dispute resolution in its locality;
3. To administer the organisation, the budget, and inspect the performance of the UEDR;
4. To make proposals to the Ministry of Justice on the establishment and improvement of the office<sup>25</sup>, [and] on the appointment, removal and transfer of the director and deputy director of the UEDR in coordination with the OEDR and relevant sectors;
5. To supervise the handling of people's complaints in relation to economic dispute resolution by the UEDR;
6. To reward UEDR staff who have outstanding performance and take disciplinary action against those who have committed a wrongful act in economic dispute resolution in coordination with relevant sectors;
7. To summarize, evaluate and report on the activities of the UEDR to the Ministry of Justice; [and]

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<sup>24</sup> The term "policies" has the connotation of "privileges" or "incentives".

<sup>25</sup> This term has the connotation of "organisational structure".

8. To exercise such other rights and perform such other duties in accordance with the laws and regulations.

**Article 48. Organisation Responsible for Inspection of Economic Dispute Resolution**

The organisation responsible for the inspection of economic dispute resolution<sup>26</sup> is the same as the organisation responsible for administration as provided in Article 45 of this law.

**Article 49. Rights and Duties of the Ministry of Justice in Relation to Inspection**

In the inspection of the activities and performance of economic dispute resolution, the Ministry of Justice has the following rights and duties:

1. To inspect the implementation of strategic plans, programs, laws and regulations and [to inspect] the state of economic dispute resolution by the OEDR;
2. To inspect<sup>27</sup> people's complaints regarding economic dispute resolution by the OEDR;
3. To inspect the administration of UEDRs by the Justice Offices;
4. To exercise such other rights and perform such other duties as provided in the laws and regulations.

**Article 50. Rights and Duties of the Justice Offices in relation to Inspection**

In the inspection of the performance of duties by the UEDR<sup>28</sup>, the Justice Office in the provinces, cities and special zones has the following rights and duties:

1. To inspect the activities [and] work<sup>29</sup> of the UEDR in implementing the strategic plans, programs, laws and regulations and the state of economic dispute resolution;
2. To inspect people's complaints regarding economic dispute resolution by the UEDR;
3. To exercise such other rights and perform such other duties as provided in the laws and regulations.

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<sup>26</sup> References to “the” organisation responsible for the inspection of economic dispute resolution are not references to a single organisation and might be better rendered as “each” organisation. However, the Lao text does not use the word “each” and substituting the word “each” for “the” would require other conforming changes that are also not justified by the text. The translators have therefore refrained from recasting these provisions in favour of literal accuracy.

<sup>27</sup> The word “inspect” here has the connotation of checking whether complaints have been dealt with.

<sup>28</sup> The reference here is to the UEDR in the province, city or special zone for which the relevant justice office is responsible.

<sup>29</sup> This is a translation of one Lao word that connotes both activities and work.

**Part VII**  
**Policies towards Persons with Outstanding Performance and**  
**Measures Against Offenders**

**Article 51.<sup>30</sup> Policies towards Persons with Outstanding Performance**

Mediators[,] arbitrators, [and] the staff of the OEDR or UEDR who have outstanding performance will be rewarded or policies will be granted as appropriate.

**Article 52. Measures Against Offenders**

A [member of the] staff of the OEDR or UEDR who has committed a wrongdoing in the performance of his duties such as: abuse of position, abuse of power [and] taking bribes[,] will be re-educated<sup>31</sup>, will be subject to disciplinary measures or will be punished in accordance with the laws and regulations.

A mediator or arbitrator who has intentionally committed a wrongdoing in the performance of his duties such as: abuse of position, taking bribes and others<sup>32</sup> will be re-educated. In the event of serious offences, [the mediator or arbitrator] will be removed from the list of mediators or arbitrators of the OEDR or will be punished in accordance with the laws and regulations.

One or both parties who do not extend co-operation or who violate the result of any economic dispute resolution which is final shall be re-educated or punished in accordance with the law and regulations.

**Part VIII**  
**Budget, Symbol and Seal**

**Article 53. Budget**

The budget used in the activities [and] work of the OEDR and UEDR is as follows:

- The budget of the OEDR is determined by the Ministry of Justice;
- The budget of UEDR is determined by the province, city or special zone where the UEDR is located.

**Article 54. Symbol**

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<sup>30</sup> The original Lao text appears to have numbered this article as Article 49 and the next article as Article 50.

<sup>31</sup> The term “re-educate” in this context does not mean the same as “re-education without deprivation of liberty” referred to in the Penal Law.

<sup>32</sup> The term “others” is a literal translation and is not subject to further specificity.

The symbol of the OEDR and UEDR is a picture of a scale within a circle.

**Article 55. Seal**

The OEDR and UEDR have their own seal for official use.

**Part IX  
Final Provisions**

**Article 56. Implementation**

The government of the Lao People's Democratic Republic shall implement this law.

**Article 57. Effectiveness**

This law enters into force sixty days after the date of the promulgating decree issued by the President of the Lao People's Democratic Republic.

Any provisions and regulations which contradict this law shall be null and void.

Vientiane, 19 May 2005  
President of the National Assembly

*[Seal and Signature]*

Samane VIGNAKET