

Press Release

Signing Ceremony on the development of systems for Smart VAT and fees collections from the passengers and vehicles travelling through Lao-Thai Friendship Bridge 1

between BCEL and Tax Department, Ministry of Finance.

Vientiane Capital, 19/09/2017



On the 19 September 2017 at 09:00 am, Banque Pour Le Commerce Extérieur Lao Public (BCEL) and Tax Department, Ministry of Finance held the signing ceremony on the development of systems for Smart VAT and fees collections from the passengers and vehicles travelling through Lao-Thai Friendship Bridge 1.

The contract was honorably signed by:

- ▶ Mr. Phoukhong CHANTHACHACK, General Managing Director, BCEL; and
- ▶ Mr. Bounpaseuth Sikhounlabout, Acting Director General of Tax Department, Ministry of Finance.

The ceremony was witnessed by many honorable guests including:

1. Mr. Somboun Inthapatha, Director General of Cabinet Office,
2. Mr. Nanthalath Keopaseuth, Deputy Managing Director of BCEL

Along with Chief of Divisions, Chief of Branches and related staff of BCEL as well as the delegation from Tax Department, Ministry of Finance.

BCEL and Tax Department, Ministry of Finance has launched the cooperation on the pilot project for Smart VAT via banking system since November 2016. This project aims to facilitate all the passengers and companies to have an ease in paying for Value Added Tax (VAT) when importing-exporting the goods through Lao-Thai Friendship Bridge 1 with BCEL's system.



After 10 months completing the testing period of Smart VAT, it can be seen that the service is effective and receives the positive feedback, which is shown by the capacity in collecting VAT from the consumers with more details. This helps Tax Department in protecting the spill out of the VAT payment. Customers can now have more options to pay for their VAT and fees such as to pay via BCEL One or Smart VAT card which those new options are faster and more convenient comparing the traditional form submitting because all the transactions are processed electronically.

Mr. Phoukhong CHANTHACHACK, General Managing Director, BCEL gave his speech during the signing ceremony that after completing the testing period, BCEL is very delighted that Tax Department allows and assigned BCEL to assist on collecting vehicle and passenger fees for travelling in and out at the Lao-Thai Friendship Bridge 1. BCEL will perform their duties with the best services. Nevertheless, since this SMART VAT and Fees collection system is the new

process and products, there will be some obstacles during the implementation and the applying of the systems. This is due to number of reasons including 1. The service has not been recognized by the public. 2. The advertisement on the products have not been widely advocated, 3. The tax officers are familiarizing themselves with the systems, therefore, at the initial stage; the use of the system might be slow. Therefore, he would like to ask for the kind patience, cooperation and trust from all service users, BCEL does believe that the service will gradually be improved to the better level in the near future.

The contract which is signed today will cover two areas of services, this includes 1. The system of VAT collection of all items brought by the passengers in the charge of 10% and 2. The system of fees collection for passengers and vehicles that travel in and out at the Lao-Thai Friendship Bridge 1. After applying such systems, the systems are expected to provide convenience to the tax officers and the passengers.