**Unofficial translation**

**Lao People’s Democratic Republic**

**Peace Independence Democracy Unity Prosperity**

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**Ministry of Public Works, Transport No. 2426/MPWTPC**

**Post, and Construction**

**Regulation**

**on Establishment of Driving Schools and Business Operation**

- Pursuant to the Law on Land Transport;

- Pursuant to the Law on Land Traffic;

- Pursuant to the Law on Enterprise;

- Pursuant to the Law on Domestic Investment Promotion;

- Pursuant to the Law on Promotion and Management of Foreign Investment in Lao PDR;

- Pursuant to the Prime Minister Decree on Organization and Operation of Ministry of Communications, Transport, Post, and Construction No. 66/PM dated 20/05/1999;

- Pursuant to the Request of the Department of Transport.

**Minister of Communications, Transport, Post, and Construction**

**hereby issues a Regulation:**

**Chapter I**

**General Provisions**

**Article 1: Objective**

This Decision defines principles and regulations on the management, and approval for establishment driving school business operation in compliance with policy direction of the party, rules and regulation of the government, ensuring persons who have passed driving school or trainings have ability to drive, basic technical knowledge about vehicles, in-depth knowledge of land traffic regulation and driving manner, contributing to road order and safety.

**Article 2: Permission Targets**

Individuals or legal entities including Lao national, aliens, non-residents, and foreigners who wish to establish a driving school have the rights to request for establishment of such school in order to operate business in accordance with Lao laws and regulations.

**Article 3: Obligations to the Government**

After commencement of business operation, the person who has obtained an authorization for establishment and business operation a driving school shall perform obligations strictly as follows:

* Pay taxes to the government in accordance with the law on customs, taxes, and other relevant regulations and hold bank account based the Enterprise Law.
* Summarize activity such as results of the courses on monthly, periodically, and yearly to the Division of Communications, Transport, Post, and Construction.
* Follow rules and regulations as set forth by Ministry of Communications, Transport, Post, and Construction, and other relevant sectors of the government.

**Chapter II**

**Application for a License**

**Article 4: Application for a License**

The request for a license shall follow Article 16, 17, 18 and 19 of the Law on Enterprise and the Law on Domestic Investment Promotion Law. Regarding foreign investment, it shall follow Article 23, 24, 25, and 26 of the Law on Foreign Investment Promotion Law of Lao PDR.

**Article 5: Requirements**

Individuals or legal entities wish to establish a driving school shall meet the following requirements:

* To have Directors with a minimum academic qualification from secondary school level or have mid-level technical knowledge about vehicle machinery, and shall pass training on regulations regarding Land Transport Law, Traffic Law, and driving theories, with certificates.
* To have at least one theoretical teacher with beginning level of specific knowledge on technical transport vehicles that properly passes and has teaching driving course training certificate.
* To have at least two practical teachers holding a minimum driving license of trucks (C) and with at least 5 years driving experience.
* To have location and other permanent buildings that match the size of business and have an administrative office, theoretical study room, driving field with a proper rights of usage document, the usage rights given or rental contract.
* To have vehicles, equipment, and other tools necessary for basic teaching:

1. Have at least three (3) vehicles (1 light vehicle, two transport vehicles);
2. Classroom with teaching materials for 30 students;
3. Teaching guidelines approved by Transport Department of Ministry of Communication, Transport, Post and Construction.
4. Teaching materials such as pictures and posters showing components of vehicles, traffic signs (engine head, manual gear, differential, axle, and others) as samples for hand-on teaching and demonstrations.

* Shall have the following minimum curriculum:

1. Regular program (long-term course) with theory and hand-on with the following subject and hours as below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **Teaching Details** | **Unit** | **Type** | |
| **B** | **C** |
| 1 | * Mandatory training course * Theory  1. Traffic rules, sign, and driving content 2. Basic driving principles 3. Basic knowledge on machinery and troubleshooting 4. Matainance and principles for loading 5. Road accident causes and prevention 6. Manner and behaviors of drivers (duty of driver) 7. Basic knowledge on health of drivers and first aid principles from accidents 8. Basic principle on car repairs 9. Driving safety techniques 10. Basic knowledge on Law on Land Transportation, Public Road, Land Traffic, Civil, and Criminal. | Days  Hour  Hour  Hour  Hour  Hour  Hour  Hour  Hour  Hour  Hour  Hour | 60  84  14  7  7  14  14  7  7  7  7  7 | 90  164  14  7  7  14  14  7  7  7  7  7 |
| 2. | Practical lesson (hours per student) | Hour | 30 | 30 |
|  | 1. Driving outside school location 2. T and C driving | Hour  Hour | 16  14 | 16  14 |

2. Special Course (short-term training for existing drivers) hand-on with the following subject and hours as below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No** | **Teaching Details** | **Unit** | **Type** | | | | |
|  |  |  | A | A1 | B | C | D |
| 1 | * Mandatory training course * Theory  1. Traffic rules, sign, and driving content 2. Matainance and principles for loading 3. Road accident causes and prevention 4. Manner and behaviors of drivers (duty of driver) 5. Basic knowledge on health of drivers and first aid principles from accidents 6. Basic safety techniques 7. Basic knowledge on Law on Land Transportation, Public Road, Land Traffic, Civil, and Criminal. | Day  Hour  Hour  Hour  Hour  Hour  Hour  Hour  Hour | 5  28  7  7  7  7  7  7  7 | 10  49  14  14  7  7  7  7  7 | 15  70  14  14  7  7  7  7  14 | 15  70  14  14  7  7  7  7  14 | 15  70  14  14  7  7  7  7  14 |
| 2. | Practical lesson (hours per student) | Hour | 7 | 7 | 14 | 14 | 14 |
|  | 1. Driving outside school location 2. T, C, pig pen, O, 8, and snake shape driving | Hour  Hour | -  - | -  7 | 7  7 | 7  7 | 7  7 |

**Article 6: Application Procedures**

Individuals or legal entities wish to establish a driving school that meets the requirements as stated in Article 5 shall submit application or necessary documents to industry and commerce sectors, or special zone in the location of the driving school:

1. Application for establishing a driving school;
2. Residence certificate (Lao citizen), alien ID card, and apatrid issued by Ministry of Domestic Affairs, or obtained investment license from the investment committee (for foreign investor);
3. Application for enterprise registration using commerce sector’s form;
4. Feasibility study;
5. Articles of Association;
6. Organizational structure;
7. Biography of director and technical officers;
8. Copy of education certificate or certificate of teachers;
9. Fixed assets and working capital account;
10. Shareholder account (applicable to company share);
11. Financial status verification document;
12. Certificate of tax obligations (for existing business);
13. Certificate of ownership and use of location for school and vehicles;
14. Work implementation of previous year summary report;
15. Annual business plan;
16. Six (6) 3x4 photos of Director;

**Article 7: Issuance of License**

After obtaining documentation as stated in Article 5 above, Provincial Division of Communication, Transport, Post and Construction or special zone of the location of school for consideration and response to the applicant in writing within 30 days. If the approval is grant the license shall be issued to the school.

The business operator receiving an approval for a driving school shall pay fees based on the rates set forth each period.

**Article 8: Validity of License**

The license for establishment of the driving school is valid for twelve months from the date of issuance. Prior to the expiration, if a business wishes to continue such business, it shall submit application at least 30 days in advance. During the waiting period for the response, such school can operate normally.

**Chapter III**

**Prohibitions**

**Article 9: Prohibitions for Business Operators**

Driving school and business operation are prohibited from the following:

* Operate business no tin line with approved activities;
* Lend, lease, or transfer its business license to others;
* Collect tuition fees or upgrade fees higher than the official rates agreed;
* Close business activities without notifying Division of Communication, Transport, Post, and Construction;
* Continues business after expiry of its business license;
* Report on incorrect information or false documents for requesting driving schools.

**Article 10: General Prohibitions**

Unauthorized individuals are prohibited from establishing driving school and operating such business.

**Chapter IV**

**Awards for Good Performance and Measures against Violators**

**Article 11: Awards for Good Performance**

Approved driving school and business operators that operate quality business and in accordance with laws and regulations will receive awards, renewal of business operating license and other policies as appropriate that are stipulated in the Law on Domestic Investment Promotion and the Law on Foreign Investment Promotion in Lao PDR.

**Article 12: Measures against Violators**

Individuals or legal entities that violate this regulation will be educated, fined, or punished based on severity of the violation.

**Article 13: Education Measures**

Driving school business operator who violate by paying no attention in teaching or training, teaching uncompleted curriculum, not improving vehicles, equipment and teaching materials will be warned and educated.

**Article 14: Fine Measures**

Individuals or legal entities have any behavior violating this Regulation will be fined as following:

* Operate business not in line with authorized activity, conduct unauthorized driving type, or use license of others, lends it license to others, lease or transfer shall be fine ten (10) times of the license issuing fees.
* Continue business after expiry of license, such failure to extend will be fine double. After expiry between 30 days – 90 days will be fine five (5) times, and more than 90 days will be fined 10 times of the issuance of license fee.
* Close business negligently or without notifying in writing to Division of Communication, Transport, Post, and Construction of provincial or special zone less than twelve months will be fined five (5) times and more than twelve months shall be fined 10 times of the license issuing fee.

**Article 15: Criminal Measures**

Individuals or legal entities have any behavior violating this Regulation such as falsifying document of license, abuse its power issuing the license wrongfully will be punished by criminal measures.

**Part V**

**Final Provisions**

**Article 16: Implementation**

Department of Transport in collaboration with the Division of Communication, Transport, Post, and Construction of provinces, capital, and special zones are assigned to effectively implement this Regulation.

**Article 17: Effectiveness**

This regulation is effective from the date of signature.

Vientiane, Date 21 July 2000

**Minister of Communications, Transport, Post, and Construction**

***[Signature and seal]***

**Phao BOUNNAPHONE**