



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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President's Office

No. 04/PO

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

**On the Promulgation of the Property Law**

Pursuant to the resolution dated 2 December 1975 of the National Assembly of the Lao People's Democratic Republic regarding the appointment of the President;

Pursuant to the Law on the National Assembly of the Lao People's Democratic Republic, No. 4/SPA, dated 19 April 1988; and

Pursuant to Resolution No. 01/90/SPA, dated 10 July 1990, of the fourth session of the National Assembly of the Lao People's Democratic Republic which adopted the Property Law.

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

**Article 1.** The Property Law is hereby promulgated.

**Article 2.** This decree shall enter into force on the date it is signed.

Vientiane, 27 July 1990

President of the Lao People's Democratic  
Republic

*[Seal and Signature]*

Phoumy VONGVICHIT



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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## PROPERTY LAW

### Chapter 1 General Provisions

#### Article 1. Property

“Property”<sup>1</sup>[, in respect of any asset,] means the total and definite right of the State, collectives, individuals, and private persons and entities over such asset in terms of possession, use, usufruct and disposition, within the limits provided for by the laws.

#### Article 2. Forms of Property

There are 5 forms of property:<sup>2</sup>

- State property [which refers to property belonging to the State]
- collective property [which refers to property belonging to a collective]
- individual property [which refers to property belonging to an individual]
- private property [which refers to property belonging to a private economic unit and]
- personal property [which refers to items for personal use].

Collective property is divided into [two further categories:] property belonging to co-operatives and property belonging to other collective organisations.

The State protects such property by the laws.

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<sup>1</sup> The quotation marks have been added and are not in the original.

<sup>2</sup> Rights in property appear to be distinguished on the basis of the holder of such property rather than the nature of such property. The difference between individual property, private property and personal property is best gleaned by referring to Chapter 4 of this law; the meaning of private economic unit is also set out in Chapter 4. Note also that the word “property” may mean both the thing or asset itself, or rights in such things or assets. Where a literal translation does not make clear which of these meanings was intended and where it is clear that the latter of those meanings was intended, the translators have included the word “rights” in square brackets.

## **Chapter 2 State Property**

### **Article 3. Owner of State Property**

The State is the sole owner of all State property; however these assets are in the possession of State organisations.

[In respect of such assets,] State organisations exercise the rights of possession, use, usufruct and disposition, and may lease them to collective organisations or individuals as provided by the laws and in accordance with State activities and plans.

### **Article 4. State-owned Property**

State property includes two categories:

- [Property that constitutes] the material and technical basis of the society under State control, such as factories, modes of land, water and air transportation, communication facilities, postal services, banks, enterprises and other [property] owned by the State;
- Assets used in the operations led by the State apparatus, such as buildings, vehicles, tables, chairs and other [assets].

Land, underground resources, water, forests, aquatic animals and wildlife which are natural resources belong to the national community represented by the State, [and] the State may grant the right of possession, use, transfer and inheritance [in respect of such natural resources] to other organisations, economic units and individuals.

Other organisations, economic units or individuals may transfer or inherit [their State-granted rights in] the land, but do not have the right to sell land.

### **Article 5. Acquisition of State Property**

State property derives from:

- Nationalisation;
- The construction [of such property by] State organisations and enterprises;
- State tax and duty collection;
- The purchase of assets out of necessity;
- The confiscation of assets;
- The acquisition of unowned assets;
- Collection of lost items;
- The discovery of valuable materials<sup>3</sup>;

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<sup>3</sup> The word “materials” is generally used in this translation to refer to tangible things.

- The acquisition of unattended animals;
- Purchase and exchange;
- The donation of assets to the State; [and]
- Inheritance.

**Article 6. Regulations on the Disposition of the State’s Fixed Assets**

Regulations pertaining to the grant by one State institution to another State institution of [the facilities of] any State enterprise, buildings, structures<sup>4</sup>, equipment and other fixed assets are provided for in specific laws and regulations.<sup>5</sup>

The above-mentioned assets may not be handed over as the property of an individual except for certain assets which are sold according to the regulations.

**Article 7. Regulations on the Disposition of Working Assets and Products**

State institutions have the sole right of disposition [in respect of their] raw materials, materials, money and other working assets and [in respect of] their processed products in accordance with the utility [of such assets] and with their plans.

No individual shall have the right to make use of State assets for his<sup>6</sup> personal interest.

**Article 8. Regulations on the Confiscation of State Assets**

[The facilities of a] State enterprise, buildings, structures, materials and other fixed assets of State institutions may not be used as security and may not be seized or confiscated on claims formulated by a creditor, except for financial documents<sup>7</sup> and other assets provided by the laws.

State property in any foreign country is to be handled in the same manner as State property in the country.

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<sup>4</sup> The word “structure” is generally used in this translation to refer to built-up structures (e.g., pylons) that are different from “buildings” insofar as buildings have walls and roofs (i.e., “buildings” are “enclosing” structures).

<sup>5</sup> For readability, the sentence structure and punctuation in this paragraph have been modified.

<sup>6</sup> The reader 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>7</sup> “Financial documents” is a literal translation. The translators understand that this term might refer to negotiable instruments but there is insufficient textual evidence to justify a departure from the literal translation.

The State may claim its assets from illegal holders at any time, and there is no limitation period for such civil claims.

### **Chapter 3 Collective Property**

#### **Article 9. Property of Cooperatives and other Collective Organisations**

Property belonging to cooperatives and other collective organisations includes means of production and other necessary assets for the implementation of their work, such as machinery, transport means, tractors, bulldozers, animals, buildings, structures, [facilities of State] enterprises, living quarters, fixed capital, working capital and other property.

#### **Article 10. Content of Property of Cooperatives or other Collective Organisations**

A cooperative or other collective organisation shall have the right of possession, use, usufruct and disposition of assets belonging to it as provided for by the laws and shall exercise such rights in accordance with its statutes<sup>8</sup>.

The right to dispose of assets is given to the cooperatives and other collective organisations to be exercised independently by the management of such cooperatives or collective organisations and no individual has the right to dispose of such assets.

#### **Article 11. Acquisition of Collective Property**

A cooperative or other collective organisation obtains its property:

- From the contribution of assets by its members;
- [As a result of its] production and services;
- By purchase and exchange; [and]
- [In the form of] materials and financial support from the State, other organisations, individuals and others<sup>9</sup>.

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<sup>8</sup> The word “statutes” is used in the sense of the constitutive documents of the entity.

<sup>9</sup> The term “and others” is a literal translation of the Lao term and is not subject to further specificity.

**Article 12. Use of Land Held by Cooperatives or other Collective Organisations**

Cooperatives and other collective organisations must make correct use of the land in their possession, otherwise they will be fined according to the regulations on the management and use of agricultural land or the State may take back the land and grant it to other economic units or individuals without any liability for compensation.

**Article 13. Regulations on the Confiscation of Assets held by Cooperatives and other Collective Organisations**

Buildings, structures, bulldozers, tractors, transport means and other fixed assets of cooperatives or other collective organisations may not be confiscated, except for financial documents and other assets as provided by the laws.

**Chapter 4  
Individual, Private and Personal Property**

**Article 14. Individual Property**

Property belonging to an individual includes means of production, produce and merchandise belonging to small owners: [such as] farmers, craftsmen, manufacturers and others.

**Article 15. Rights and Obligations of Owners of Individual Property**

Owners of individual property have the right to undertake production activities, to provide services and to freely sell their products in accordance with the laws.

Owners of individual property must abide by the laws, and by economic and other policies established by the State, and must remit taxes in full to the State.

**Article 16. Private property**

Property belonging to private [economic units] includes the means of production, produce, merchandise and capital used in business activities led by economic units, which belong to the owner of such enterprise, and contribute to national development and the improvement of the people's living conditions.

These economic units administer and decide [their own] commercial production, [and] assume all responsibility for their own income, expenses, profits and losses.

## **Article 17. Rights and Obligations of Private Economic Units**

Private economic units have the right to undertake production business, construction, transport, commerce, the provision of services and entry into various contracts, to use currencies for the import of raw material and others, to sell their products freely in accordance with the laws, [and] to enter into business cooperation within the country or abroad.

These economic units shall conduct their business as provided by their enterprise licenses, [and] in addition, shall strictly comply with the laws, and with the economic and other policies established by the State, shall remit their tax obligations to the State in full and shall keep accounts in accordance with the Law on Accounting.

## **Article 18. Recognition of Property Rights of Private Economic Units**

Private economic units have the status of legal persons.

The State recognises the right of property over different assets belonging to private economic units.

No individual shall transgress the rights of these economic units.

## **Article 19. Measures taken against Private Economic Units**

In the event that private economic units indulge in production and business activities outside the objectives set out in their statutes or transgress regulations, the owner(s) of such economic units shall be subject to the measures provided for in the [regulations governing the] registration of private enterprises[; such transgressions include] not keeping an accounting system as provided by the Accounting Law, not paying charges in due time, [and] forging, renting or lending their enterprise licenses to other individuals.<sup>10</sup>

## **Article 20. Personal Property**

Personal property includes consumer goods, items for personal use, [things that facilitate daily life]<sup>11</sup>, houses and their contents, livestock for personal needs and other income.

## **Article 21. Rights in Personal Property**

The owner has the right of possession, use, usufruct and disposition over his assets and income as needed, but may not make use of his assets to adversely affect the legitimate interests of the State, collectives or other individuals.

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<sup>10</sup> For readability, the structure of this paragraph has been modified.

<sup>11</sup> This is the closest we could come to the single Lao word in the original which we understand to cover things as varied as bicycles, motor-cycles and tools.

**Article 22. Retention of Unused Land**

Any individual retaining any land without clearing it for farming or making use of it for any form of production shall be fined in accordance with the regulations on the management and use of agricultural land, or the State may transfer such land to other individuals without any liability for compensation.

**Article 23. Confiscation and Seizure of Individual, Private and Personal Property**

Individual [property], private [property] and personal [property] may be confiscated or seized, except for food, garments, consumer goods, animals which are necessary for the survival of the debtor and his dependents and other assets [exempted from seizure] under the Penal Law.

**Article 24. Property Belonging to Members of Cooperatives and other Collective Organisations [in their Personal Capacity]**

“Property belonging to the members of cooperatives or other collective organisations [in their personal capacity]”<sup>12</sup> includes personal income generated by their work and assets gained or received through inheritances or grants, which are not granted to the cooperative or other collective organisation.

Assets that belong specifically to cooperatives or other collective organisations in accordance with regulations cannot become the property of members of cooperatives or other collective organisations in their personal capacity.

**Article 25. Joint Property**

Assets, such as [the facilities of State] enterprises, buildings, houses, fences and yards, may become joint property between the State or collective organisations and individuals, or between individuals.<sup>13</sup>

The owners of joint property have the right to commonly possess and make use of the asset, [and] to benefit from and dispose of it on the basis of general agreement; each person is jointly responsible for tax remittance, preservation, repair, liabilities and other expenses.

Every owner of joint property has the right to request the division of his share from the joint property on the basis of general agreement. If the asset that is joint property cannot be divided, [that owner] may be compensated according to the value of the share.

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<sup>12</sup> The quotation marks have been added and are not in the original.

<sup>13</sup> For readability, the sentence structure has been modified.



## **Article 26. Matrimonial Property**

“Matrimonial property”<sup>14</sup> [refers to] the assets acquired by a married couple during their marriage, except for personal items of low value.

Husband and wife have equal rights over matrimonial property regardless of who actually acquired the asset.

Assets belonging to the husband or wife prior to their marriage or received through inheritance or granted specifically to the husband or wife during their marriage shall not be considered as matrimonial property.

Assets for personal use, such as clothing and other items for the individual’s own use, even though acquired during their marriage, shall not be considered as matrimonial property, except for valuable assets, such as precious stones, gold, and other valuable jewellery.

## **Article 27. Division of Matrimonial Property**

Matrimonial property shall be divided after divorce. In the event that the couple is separated, or either the husband or wife has made inappropriate use of their matrimonial property, or has acted dishonestly towards the matrimonial property, the division of matrimonial property may take place before divorce.

In the usual case, [upon division] husband and wife shall receive equal shares from matrimonial property.

In the event that the husband or the wife is responsible for the break in the matrimonial relationship or for damaging the matrimonial property, the responsible side shall receive only one third of the matrimonial property.

If the children are still minors, the party assuming their charge may receive a larger share as decided by the court.

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<sup>14</sup> The quotation marks have been added and are not in the original.

## **Chapter 5**

### **Acquisition and Termination of Property [Rights]**

#### **Article 28. Acquisition of a Property [Right]**

The acquisition of a property [right] takes place when the asset is granted<sup>15</sup> or received in accordance with the laws. Property [rights in an asset] may be acquired under contracts concluded before the act of granting or receiving such asset.

If the contract containing the grant of an asset to another individual or such asset has not yet been registered, property [rights] shall commence when registration is completed, even though the act of granting has occurred.

#### **Article 29. Handing Over Assets**

Handing over an asset is to give an asset to an organisation or individual designated as the beneficiary.

The grant of assets through a carrier or postal service so as to forward [such assets] to the beneficiary and the handing over of transport documentation or packages shall be considered as acts of granting such assets to the beneficiary.

#### **Article 30. Legal Possession**

Legal possession is the possession of assets by an individual in accordance with regulations and principles. [Rights over] fixed assets, which must be registered, shall be exercised by the license bearer or by a person authorised by such licence bearer.

#### **Article 31. Possession of Materials According to Special Authorisation**

Certain types of materials, such as weapons, poisonous substances, [and] precious metals may only be possessed by an individual if specifically authorised by the competent authorities.

#### **Article 32. Regulations on the Grant of Antiques and Objects of Fine Art to other Individuals**

Antiques and objects of fine art may only be sold or handed over to other individuals when authorised by the authorities in charge of the preservation of antiques. The State must be given the prior right to purchase such antiques before they may be purchased by other individuals.

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<sup>15</sup> The reader should refer to Article 29 for the sense in which “grant” is used, which appears to include physical handover and simple giving.

The sale or grant of such antiques to other individuals contrary to the above paragraph shall be considered as invalid and shall be subject to the regulations pertaining to invalid contracts.

**Article 33. Loss or Damage Sustained by Accident or Force Majeure to Assets as they are Handed Over**

“Loss or damage sustained by an asset due to accident or force majeure”<sup>16</sup> [refers to] an occurrence that was not caused by the fault of the consignor, the carrier or the beneficiary and that takes place at the moment an asset is handed over. In the event that an asset sustains such loss or damage by accident or force majeure, the owner of the assets at that time shall assume the responsibility for such loss or damage unless otherwise provided in the contract.

If the consignor, carrier or beneficiary delays the grant, transport or receipt, the relevant person shall be responsible for the loss or damage sustained by the accident or force majeure.

**Article 34. Property over Gains and Income**

Gains and income generated from an asset shall belong to the owner of such asset unless otherwise provided by the laws or the contract.

**Article 35. Property over Inheritance**

An inheritance received by heirs in accordance with the laws or under a will shall be recognised as their property when they take over [such inheritance].

In the event that there is no heir, [the subject matter of] the legacy shall become the property of the State, except if such legacy was made to a monk or novice as provided in Article 23 of the Inheritance Law.

**Article 36. Assets without Owners**

Unowned assets [refers to] assets in respect of which the owner has withdrawn his right of possession or has forfeited such right due to the expiration of the limitation period within which a court claim can be brought or where the identity of the owner is not determined.

Only the financial authorities have the sole right to suggest to the court that unowned properties be given to the State as the State’s property. If the asset belongs to a cooperative member who has withdrawn or lost his rights, it shall become the property of the cooperative where the asset is located.

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<sup>16</sup> The quotation marks have been added and are not in the original.

**Article 37. Measures Applied towards Unowned Property**

Assets that are recognised as being unowned shall be entered in the State inventory of assets.

After such assets have been taken over by the State the owner still has the right, if the limitation period provided in Article 35 of the Contract Law has not yet expired, to lodge a complaint to the court to regain the assets or to request compensation for damages.

**Article 38. Collection of Lost Items**

Persons who find lost items, regardless of where [such items are found], must inform and immediately return them to the persons who have lost such items if their identity is known or must declare such discoveries and hand them over to the safekeeping of the police authorities or village chiefs or, in the event that such lost items are discovered or collected [in the premises] of any enterprise or office, to the safekeeping of the board of directors of the relevant enterprise or office.

In the event that lost items are not claimed by their owners within a period of six months from the day their discovery is declared, such lost items may become the property of the finders or of the State without any compensation.

**Article 39. Reimbursement of Expenses [and Rewards] for Finders of Lost Items**

Persons finding and returning lost items have the right to be reimbursed for their expenses in preserving and returning such items to their owners. In the event that the lost items are handed over as State property, the relevant State institution is to remit the reimbursement.

Finders of lost items have the right to request a reward not exceeding fifteen per cent of the value of the lost items from their owners or individuals entitled to receive the lost items.

In the event that finders of lost items do not immediately declare their discovery, no reward shall be remitted.

**Article 40. Unattended Animals**

Persons getting hold of unattended or stray animals must inform and immediately return them to their owners, or must inform the police authorities or village chiefs within three days of their capture.

If unclaimed by their owners, the animals shall be given to the finders to care for, feed and use.

In the event that the owners of the animals are identified within six months from the declaration of their discovery, the animals shall be returned to them but the owners shall have to compensate the finders for the expenses incurred in tending and feeding the animals and to present rewards as provided in Article 39 of this law.

In the event that the finders of animals face difficulties in tending or feeding them, or if an epidemic starts, the finders may sell them after informing and being authorised by the police authorities or village chiefs, but must preserve the sum of money generated in the sale of such animals for their owners.

In the event that the owners cannot be found within a period of six months, they shall lose their right of property over the animals.

#### **Article 41. Discovery of Valuable Objects or Antiques**

“Valuable objects”<sup>17</sup> [refers to] gold, silver or valuable metals and minerals hidden or buried in the earth or hidden by any other method, where the identity of their owners cannot be determined or where such owners have lost their rights of property over such valuable objects or are not in a position to claim ownership. In such cases, valuable objects shall become State property and finders must remit them to the financial authorities.

Persons finding and returning valuable objects or antiques are entitled to receive rewards, or premiums of fifteen per cent of their value, except if it is their direct duty to conduct searches.

#### **Article 42. Acquisition of Property through the Possession in Good Faith of another’s Property**

A person who possesses another individual’s asset in good faith as his own shall gain the right of ownership over such asset if such possession is for a continuous period of twenty years, in the case of fixed assets, or for a continuous period of five years, in the case of movable assets. Such possession in good faith is reflected in its openness, continuity and stability. Beyond this period of time, the original owners shall have no right to make claims over such property.

If the concerned person has possessed the asset for a period less than the time limit mentioned in the first paragraph, but hands the asset over to another individual to possess (or exercise other rights over such asset) in good faith, the period of time required to gain the right of ownership shall start from the day the asset was received by the first individual. Beyond such period, the new holder shall gain the property.

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<sup>17</sup> The quotation marks have been added and are not in the original.

State property and collective property can never become the property of good faith holders, even if the period mentioned in the first paragraph has been completed.

#### **Article 43. Purchase of Assets out of Necessity**

The purchase of assets out of necessity occurs when the State appropriates the assets from their owner for the interests of the State or of the society, and where the State shall pay compensation to the owner of the asset.

This act of purchase by the State out of necessity can only be exercised in necessary or urgent cases, such as those related to development, natural calamity, [or] epidemics.

Compensation for the asset purchased by the State out of necessity shall be carried out within an appropriate time as the circumstances might allow and other [factors].

In the event that the act of purchasing assets out of necessity is questionable, the owner has the right to lodge a complaint to the authority superior to the institution which has sent its agent to purchase the asset and, in addition, is entitled to demand the reinstatement of his asset and compensation for the damage incurred.

#### **Article 44. Confiscation of Assets**

Confiscation refers to an act undertaken by the State in acquiring the assets, whether in whole or in part, of an individual who has infringed the laws, in which case no compensation shall be paid.

Confiscation may only be exercised when specifically provided for in the laws.

If there is malpractice in the confiscation of assets, such assets shall be returned to their owners who are furthermore entitled to demand compensation.

State property and collective property cannot be confiscated except for the cases provided in Articles 8 and 13 of this law.

#### **Article 45. Termination of Ownership**

Property over any asset shall terminate in any of the following instances:

- The owner has [taken all actions necessary to] dispose of the property;
- The asset has been destroyed by accident or force majeure, such as lightning, flood, earthquake and other [events];
- The owner has failed to make, within the limitation period for lodging complaints to court, a claim to regain his property; [and]

- The property has been confiscated by the State or seized for auction in accordance with a court decision in order to pay the owner's debts.

## **Chapter 6**

### **Scope of the Use of Property**

#### **Article 46. Use of Property**

The use of property refers to the use by an owner of his things that facilitate daily life or of his assets to meet such owner's daily needs or other purposes but such use should not undermine or hinder the rights and interests of the State, the society or other individuals

#### **Article 47. Areas Permitted for Building Dwellings or Planting Trees**

Individuals who are authorised to build dwellings or other structures are not entitled to raise their roofs to the extent or level where such roofs are liable to pour rainwater onto or to cover another individual's neighbouring land or houses.

Individuals, in building houses or in planting trees, fruit trees or vines or [doing] other [things] on land which they have the right to use, shall not cause damage to the owners of neighbouring houses or hamper traffic.

#### **Article 48. Rights of the Party Damaged by the Misuse of Property**

The party who suffers any damage from the causes mentioned in the second paragraph of Article 47 may lop off branches or vines or cut off roots projecting into his land if such damaged party has given at least seven days' notice to the owner but is ignored by the latter[; alternatively,] the damaged party may protect his interests as provided in Articles 63 and 64 of this law.

In addition, the damaged party has the right to demand compensation for the damage sustained.

#### **Article 49. Authorisation for Road Passage**

An individual who has a house that is surrounded by houses or land belonging to other individuals and that has no passageway to the road has the right to request a passage from the neighbour possessing the land closest to the road. The requested neighbour must grant a passageway but is entitled to ask for reasonable compensation for any damage incurred to plants or structures in the use of his land as a passageway.

In the event that electric cables, telephone lines, drains, water pipes, [or] drinking water pipes must pass through a [parcel of] land, and in doing so destroy or damage trees or crops of its possessor, such possessor may request an indemnity for any damages arising from such passage. If the land possessor also benefits from such passage, he will not be entitled to any indemnity.

#### **Article 50. Authorisation for the Passage of Drains**

Individuals who need to drain water from their place of residence have the right to request the passage of drains through the land of their neighbours living adjacent to or near canals. Requested parties must authorise such work but are entitled to request an indemnity for any damage inflicted upon crops or structures. The individuals who requested the drains must maintain the drains in a sanitary and appropriate state.

#### **Article 51. Rights of Orchard Attendants**

The attendants of houses or orchards have the right to make use of crops in accordance with agreements reached with the owner of the house or of the orchard.

#### **Article 52. Obligations of House or Orchard Attendants**

The attendants of land<sup>18</sup> or orchards have the obligation to appropriately preserve or take care of plants on such land.

If there should be trees or other plants that are dying or dead, the attendant must pay for such damage to the owner of the land or the orchard, unless the damage is not caused by him.

If the attendant has made unreasonable use of the produce, he must pay an amount greater than the agreed compensation to the owner of the land or orchard. In such a case, the owner need not allow the person to benefit from the produce anymore.

#### **Article 53. Rights of House or Orchard Owners**

The owner of land or orchards may build a fence around his property, but in doing so must not create any obstacle to traffic, or block any passageway previously granted through land, or project into any neighbouring piece of land.

#### **Article 54. Responsibilities of the House or Orchard Owner**

If the attendant realises that any plant growing on the land he is tending is endangered [by a cause such as] a deficient fence or pests or by any other cause and [the attendant] has already warned the owner of the land or orchard but the latter remains indifferent, all damages incurred will be the responsibility of such owner. If the attendant has made use of his own belongings to prevent such damage, the owner of the land or orchard must compensate the attendant for the expenses incurred.

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<sup>18</sup> In Articles 52 to 54, the word “land” means land on which houses have been built.



**Article 55. Acknowledgement of the Right to use Vacant Land and Degraded Forest Land**

The State acknowledges that individuals, cooperatives and other collective organisations that are willing to use vacant land or degraded forest land for their restoration and development or for cultivation, [or] animal husbandry at their own expense [have the right to do so].

**Chapter 7  
Protection of Property**

**Article 56. Protection of Property**

Protection of property [refers to] the exercise of measures specified in the laws against individuals violating the property rights of other individuals in order to restore the violated rights and interests of the owners.

**Article 57. Complaint [to Court] for the Return of Assets**

When an owner's right over assets is violated by another individual who is possessing them illegally, the concerned persons are entitled to file a complaint [in court] against such individuals for the return of their belongings.

“Illegal occupants”<sup>19</sup> [refers to] violators of legal provisions who either appropriate other individuals' assets or receive assets from others who do not have the right to hand them over.

**Article 58. Illegal Occupant of Property in Good Faith**

An illegal occupant who possesses property in good faith is a person who does not know and who could not have known [by the exercise of due diligence] that such assets are the property of other individuals.

In this case, if the original owner demands his property back, the occupant must return it, but the owner must compensate him according to the value of the assets to the occupant. The original owner also has the right to demand compensation for damages from the person who has illegally handed over the property.

If the occupant has received the property through a grant or inheritance, there will be no compensation for the value of the property or for any damage.

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<sup>19</sup> The quotation marks have been added and are not in the original.

**Article 59. Illegal Occupants of Property with Ill Intention**

An illegal occupant of property with ill intentions is a person who knows or ought to know that the asset he is occupying is the property of other individuals. In such a case, all the assets must be seized from the occupant and returned to their owner. The occupant may ask for compensation for damages from the person who illegally handed the assets over to him, but does not have the right to lodge a complaint to court.

**Article 60. Produce and Income Generated from Illegal Occupation**

The produce or income generated from an asset occupied by an illegal occupant with ill intentions will be returned to the owner in full. In the event that the concerned person has consumed, sold or [otherwise used it up], he has to compensate for damages incurred or refund the value of the produce or income to the owner.

The illegal occupant of property in good faith is not liable to return the produce or income generated by the asset as provided in Article 58 of this law.

**Article 61. Improvement of the Condition of Illegally Occupied Property**

An illegal occupant of property in good faith is entitled to keep all things improved by him if the separation or division of such improvements does not entail damage to the property or any deficiency from the original condition [of such property]. If the improvements cannot be separated from the original property, the illegal occupant of property in good faith has the right to demand compensation for damages from the owner for that part of the property that he has improved but such compensation must not exceed the value of the original asset.

All improvements made during an illegal occupation with ill intentions will become the property of the original owner without any compensation as provided for in Article 59 of this law.

**Article 62. Court Case for the Recognition of Property Right**

If an individual is asserting rights over another's assets, even though no right of property has yet been [actually] violated, the owner has the right to lodge a complaint before the court for the recognition of his right of property.

**Article 63. Court Case for the Termination of Barrier or Obstacle**

If an individual creates barriers or obstacles to the use, usufruct or disposition of another's assets, even though no right of property has yet been [actually] violated, the owner has the right to lodge a complaint before the court for the termination of such barriers or obstacles.

**Article 64. Court Case Demanding Compensation for Damages**

If an individual causes deterioration or damage to another individual's property, the owner has the right to lodge a complaint before the court demanding compensation from the person who has caused such deterioration or damage.

**Article 65. Court Case for Compensation of Damages Incurred from the Use of Water Streams, Ponds, Lakes or Canals**

The land possessor whose crops or rice are flooded or who cannot make use of water [on his land] because of obstructed, filled or blocked water streams, ponds, lakes or canals has the right to lodge a complaint before the court asking for the termination of such acts and demanding compensation for the damage he has suffered from such acts.

**Article 66. Court Case for the Restoration of Property to the Owner**

When the owner entrusts his property to another individual for safekeeping or [hands over his property for the other individual's] lease or use or the like, and such individual refuses to return the said property to its owner, the owner has the right to lodge a complaint before the court demanding the restoration of his property. In the event that the property is damaged or has deteriorated because of the holder, the latter must in addition pay compensation for such damage unless otherwise provided in a contract.

**Article 67. Appropriation of Assets without Legal Basis**

Any individual acquiring an asset belonging to others without sound basis must return such acquired asset to its owner.

**Article 68. Protection of the Right of Holders of Assets Belonging to Others**

A [lawful] holder who is not the owner of assets, such as a lender, an attendant, [or] a borrower, also has the right to lodge a complaint before the court as the owner of property demanding the return of the property and the termination of barriers or obstacles as provided in Article 57 of this law.

This law was approved by the unanimous vote of a full session of the Second People's Supreme Assembly on 27 March 1990 at 2.30 pm.

Chairman of the People's Supreme Assembly

*[Seal and Signature]*

Nouhak PHOUMSAVANH