

eBook on East Asia Customs Procedures

The Kingdom of Cambodia



eBook on East Asia Customs Procedures

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MESSAGE FROM CHAIRMAN

Blessed with geographical proximity, cultural affinity, close business ties and natural advantages for trade and economic cooperation, East Asia is one of the regions in the world with the most potential and development prospects. Since its establishment in 2004, East Asia Business Council (EABC) has always held the belief that cross-border trade, investment liberalization and facilitation are the prerequisites and foundations for East Asian countries to



promote industrial advancement, reduce unemployment and improve the quality of economic development. EABC has long been devoting to reducing trade and investment barriers and facilitating enterprises to carry out cross-border trade and investment.

In 2018, EABC agreed to compile eBook on East Asia Customs Procedures and listed it as a top priority in the Council's annual work in 2019. Today, the eBook is officially launched, with the expectation to strengthen regional economic and trade information sharing and further improve trade facilitation and connectivity among East Asian countries.

The eBook on East Asia Customs Procedures covers the guides of Customs procedures in 13 countries in East Asia, with 24 major items related to the Customs clearance of goods such as legal system, clearance procedures,

prohibitions and restrictions, duty collection (including classification, valuation, rules of origin), trade statistics, violations and sanctions, FTAs, AEOs and etc. The eBook is published electronically in English, providing companies with practical reference for international trade.

I believe that the eBook will help enterprises in the region, especially small and medium-sized enterprises, improve their capabilities in business management, investment and financing, and international market development. We hope that enterprises will take full advantage of the eBook to actively explore the regional market and achieve development goals.

Lu Pengqi
EABC Chairman 2019

ACKNOWLEDGEMENTS

Heartfelt gratitude and sincere respects should be addressed to China Committee, East Asia Business Council (in short EABC China, also China Council for the Promotion of International Trade - CCPIT), to organize, support and sponsor the edition and publication of the eBook on East Asia Customs Procedures to provide manufactures, trader and related service-providers with comprehensive information and elaborate references on Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea, which is a unique, innovative and significant contribution to regional and even international trade community.

Cordial appreciations should be extended to the Trilateral Cooperation Secretariat (TCS) for supporting and partially sponsoring the eBook of China, Japan and the Republic of Korea and CCPIT Guangxi Sub-council for supporting the project.

Dedicated gratitude should also be expressed to all members of the editing team, proofreading team, project team for their arduous and continuous efforts during the process.

EDITOR'S STATEMENT

Customs procedures in almost every country are usually very professional, diverse, technical, abstruse, ambiguous, and even trapped for cross-border manufactures, traders and related service-providers, sometimes even cause significant invisible “barriers” to trade. Thus all the stakeholders imminently need information, materials and references as comprehensive, elaborate and concrete as possible in different countries to enhance the effectiveness and efficiency of cross-border trade.

This eBook on East Asia Customs Procedures aiming to provide a general picture involves in almost all aspects of Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea. For each eBook, a framework of 24 parts of contents is basically followed with certain flexibility of adjustments according to specific situation of each individual country.

It is not an easy task to edit this panorama-type of eBook and during the process the editors are facing significant challenges including English language proficiency, professional competence and most importantly very limited information and materials in English for references.

The contents of each eBook are based on current publicly available information and materials in English, mainly contained in the publications and on the websites of related Customs administrations, government departments and agencies, international organizations and private professional institutions. The editors believe the selection and use of publicly available information will not affect the interests of the above-mentioned organizations and sincerely appreciate those organizations having their information and publications publicly available.

During the editing process, the biggest and greatest challenge is the lack of information and materials in English, which are very limited in almost all countries and even very deficient, very scarce in some countries. Therefore some citations from the official websites and excerpts from legal documents do exist in the eBook.

As a first remarkable pilot project in the fields, this eBook on East Asia Customs Procedures are not perfect and flawless and we are satisfied with the qualities of the majority and will keep on improving the rest.

ABBREVIATIONS

AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
ACFTA	ASEAN-China Free Trade Agreement
AEO	Authorized Economic Operator
AHTN	ASEAN Harmonized Tariff Nomenclature
AIFTA	ASEAN-India Free Trade Agreement
AJCEP	ASEAN-Japan Comprehensive Economic Partnership Agreement
AKFTA	ASEAN-Korea Free Trade Agreement
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
ASYCUDA	Automated System for Customs Data
ATIGA	ASEAN Trade in Goods Agreement
BTG	Best Trader Group
BTP	Best Traders Program
C/O	Certificate of Origin
CDC	The Council for the Development of Cambodia
CEPT	Common Effective Preferential Tariff
CNSW	Cambodia National Single Window
EMF	Export Management Fee
FTA	Free Trade Agreement
GDCE	The General Department of Customs and Excise of Cambodia
HS	Harmonized Commodity Description and Coding System

LDC	Least-Developed Countries
MEF	Ministry of Economy and Finance
MFN	Most Favored Nations
NSW	National Single Window
PCA	Post-clearance Audit
SAD	Single Administrative Document
SEZ	Special Economic Zone
SPS	Sanitary and Phytosanitary
TBT	Technical Barrier to Trade
TCMS	Trade Credibility Management System
VAT	Value-added Tax
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

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The Kingdom of Cambodia

1. INTRODUCTION OF CAMBODIA CUSTOMS

The Cambodia Customs Administration was first established in 1951, the operations of which were suspended from 1975 to 1979 during the Khmer Rouge regime. The General Department of Customs and Excise of Cambodia (hereafter GDCE) falls under the Ministry of Economy and Finance.

The vision of the GDCE is to become a modern Customs administration that meets international standards and best practices and offers its administrative and operational efficiency and high quality of service to stakeholders domestically and internationally.

1.1 Mission

The mission of GDCE is to boost legitimate trade and travel, to collect and increase government revenue, to ensure fair economic competition, to enhance social safety and national security, and to sustain economic development and viability of Cambodia.

1.2 Objectives

The objectives of Cambodia Customs mainly include:

- to control and levy taxes and fares on any imported and exported goods;
- to curb and prevent Customs wrongdoing;
- to boost international trade.

1.3 Functions

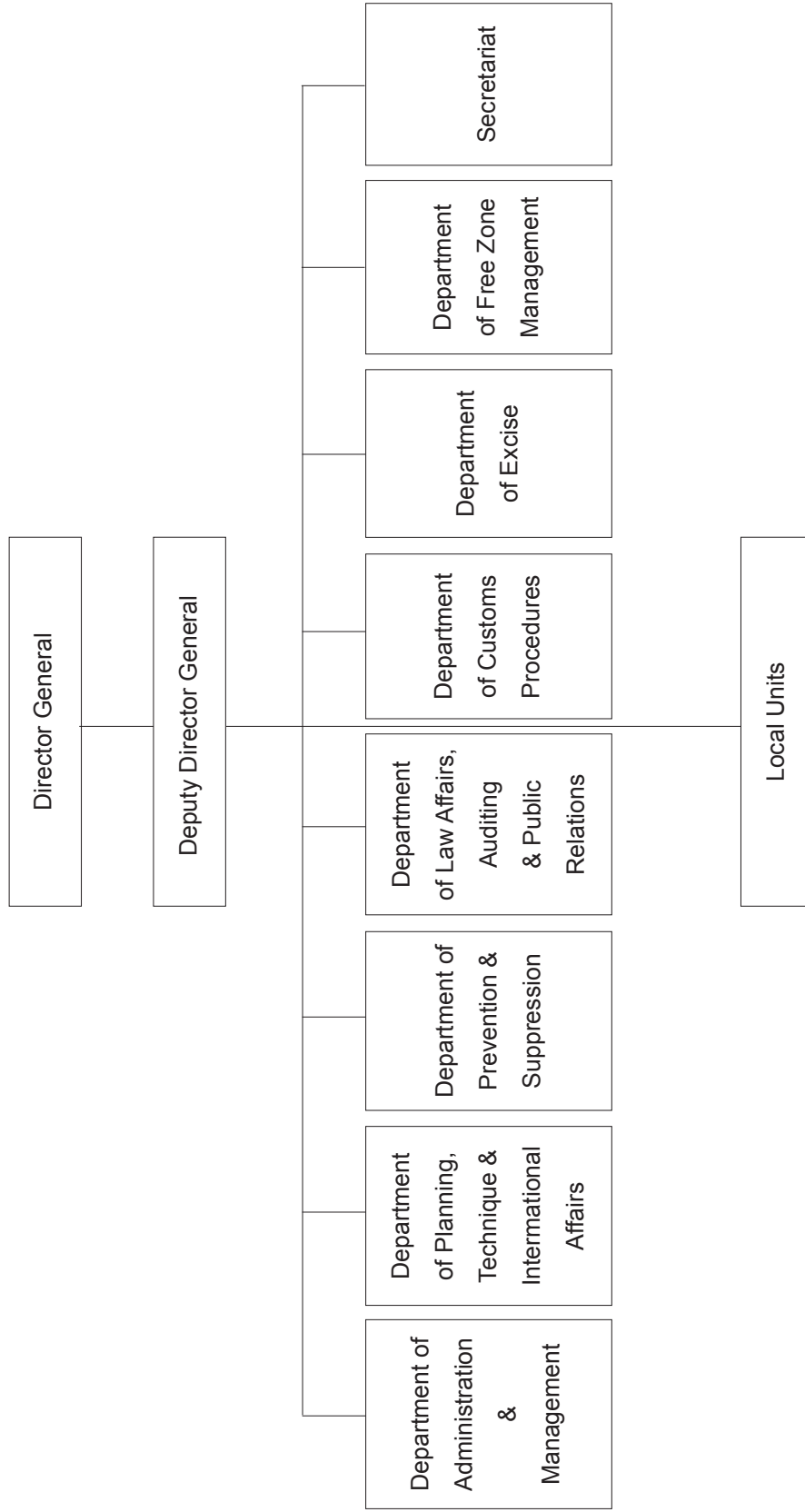
Major functions of Cambodia Customs can be generalized as follows:

- to prepare, formulate, issue and enforce Customs procedures and relevant laws and regulations;
- to examine and monitor importation and exportation of goods;
- to control passengers entering or leaving Cambodia;
- to assess and levy duties and taxes;
- to involve with investigation and suppression of all kinds of smuggling activities, tax evasion, Customs frauds and other violations within Customs territory;
- to ensure that the goods entering or leaving the territory of Cambodia are correctly abided by the existing laws;
- to support free zones in the Kingdom of Cambodia especially all Special Economic Zones (SEZs);
- to cooperate with WCO, other Customs administrations and other organizations as well as international affairs.

1.4 Organization

Now GDCE has 7 departments and 1 secretariat including: Secretariat, Department of Administration and Management, Department of Planning, Technique and International Affairs, Department of Prevention and Suppression, Department of Law Affairs, Auditing and Public Relations, Department of Customs Procedures, Department of Excise at central and other local units. The organizational structure is as below.

Figure 1 Organizational Chart of Cambodia Customs



1.5 International Memberships

After joining ASEAN in 1999, Cambodia became the first least-developed country (LDC) to join the World Trade Organization (WTO) in 2004. GDCE has also become the 155th member of World Customs Organization (WCO) in June 2011 on the 50th anniversary of the GDCE.

1.6 Resources for Importers and Exporters

This website of the National Trade Repository of the Kingdom of Cambodia (<https://cambodiantr.gov.kh>) provides all regulatory information relevant to traders who intend to import goods into Cambodia or export to other countries. Besides, the websites of Ministry of Commerce (<http://www.moc.gov.kh>) and GDCE (<http://www.customs.gov.kh>) can also offer information on trade and Customs both in English and Khmer.

2. CUSTOMS LEGAL SYSTEM

In recent years, Cambodia has made continuous efforts to improve its Customs legal system and align them with international standards and best practice.

2.1 Customs Law

The Law on Customs of Cambodia, which was adopted by the National Assembly on June 22, 2007 during the 6th plenary session of its 3rd legislature and ratified by the Senate on July 10, 2007 during the 3rd plenary session of its 2nd legislature, consists of 13 chapters and 80 articles, covering the following topics:

- general provisions;
- import and export;
- tariff classification, origin and Customs value;
- exemptions, partial exemptions, and refund of duties and taxes;

- Customs declaration and liability for duties and taxes;
- payment of import and export duties and taxes, collection of debts, and security;
- Customs temporary storage and Customs bonded warehouses;
- documents, books, records and other information on exports and imports;
- unclaimed goods;
- powers and obligations;
- penalty provisions;
- transitional provisions;
- final provisions.

2.2 Other Related Laws and Regulations

Asides from the Law on Customs, Cambodia Customs also enforces other supporting regulations including 1 Sub-Decree (Anukret), 36 Ministerial Prakas, and 9 Guidelines, which are listed below:

A.Sub-Decree:

- Anukret 209 on Enforcement of the List of Prohibited and Restricted Goods

B.Ministerial Prakas:

- Prakas on the Legal Procedure in Export-Import of Foreign Currencies;
- Prakas on Exempt Goods Control Procedure;
- Prakas on use of Information Obtained by Customs Officers;
- Prakas on Settlement of Customs Offences;
- Prakas on Customs Tariff and Tariff Classification of Goods;
- Prakas on Reward Distribution;
- Prakas on Procedures on Payment of Duty and Taxes and other levies on Imported and Exported Goods;
- Prakas on Reporting of Imported Goods;

- Prakas on the implementation of Advance Ruling on Tariff Classification, Rule of Origin, and Customs Valuation;
- Inter-Ministerial Prakas No. 581 MEF on Procedures for the Application to Import Materials, Machinery, Vehicles and Petroleum of the Grant Aid with Duties and Taxes Borne by the Royal Government of Cambodia under Grant Aid Framework;
- Prakas No. 106 on Customs Temporary Storage;
- Prakas No. 107 on Reporting, Movement, Storage and Transport of Exported Goods;
- Prakas No. 108 on Refund of Customs Duty and Taxes;
- Prakas No. 109 on Management of Unclaimed Goods;
- Prakas No. 110 on Extension of Customs Zone;
- Prakas No. 111 on Authorization to Carry out Customs Formalities Outside Customs Offices;
- Prakas No. 112 on Security;
- Prakas No. 113 on Management of Documents Books Records and Other Information;
- Prakas No. 114 on Determination of Exempt Goods;
- Prakas No. 115 on Establishing and Functioning of Customs Brokers;
- Prakas No. 116 on Customs Bonded Warehouse;
- Prakas No. 117 on Temporary Export of Goods;
- Prakas No. 311 MEF on Implementation of Value-added Tax (VAT) for Supporting Industry or Contractor that Supplies Goods or Service for Serving the Export of the Garment Industry, Textile Industry, Footwear Industry, Carry-Bag and Hat Industry;
- Prakas No. 316 on the amendment of fee on inspection goods by scanning machine;
- Prakas No. 387 on Customs Valuation of Imported Goods;
- Prakas No. 388 on Post Clearance Audit by Customs and Excise Department;
- Prakas No. 389 on the Transportation Distribution and Possession of Imported Goods;
- Prakas No. 452 MEF on High Compliant Trader Incentive Mechanism;
- Prakas No. 508 on Customs Transit;
- Prakas No. 569 MEF on Inspection on Export, Import and Transportation Means;
- Prakas No. 570 MEF on Complaining Procedures against Customs Record;

- Prakas No. 734 on Special Customs Procedure for SEZ;
- Prakas No. 735 on Procedure for the Management of Specially-Designated Goods;
- Prakas No. 907 MEF on the Determination of Transition Fee on some Goods under Legislative Procedure of Customs Transit;
- Prakas No. 928 on Temporary Importation under the Temporary Admission;
- Prakas No. 1447 on Customs Declaration Provisions and Procedures.

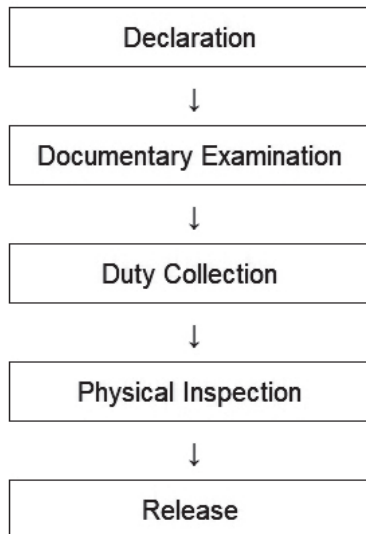
C.Guidelines:

- Instruction No. 016 MEF.MOC Notification on Simplification of Export Procedures on Textile Products;
- Instruction No. 009 on the Management of Non-commercial Goods;
- Instruction No, 583 on the Implementation of Initial Post Clearance Audit Manual in the Customs and Excise Department;
- Instruction No. 790 Procedures for Customs Transit;
- Instruction No. 345 on the Implementation of Advance Rule on Tariff Classification;
- Instruction No. 346 on the Implementation of Advance Rule on Customs Valuation;
- Instruction No. 2175 on the Implementation of Advance Rule on Rule of Origin
- Instruction No. 1114 GDCE on Revision the Procedures and the Requirement of Documents for Customs Clearance of the Re-importation of the Textile and Garment Products after Exportation;
- Cicular 004 MEF on the Procedures for Low Values Goods (de minimis).

3. CUSTOMS CLEARANCE PROCESS FOR IMPORTS AND EXPORTS

Import and export of cargo must undergo a 5-step Customs process, i.e. declaration, documentary examination, duty collection, physical inspection and release.

Figure 2 Customs Clearance Procedures by Cambodia Customs



3.1 Declaration

All exported or imported cargo, whether or not exempt from duties and taxes must be subject to Customs declaration. Customs declarations must be submitted at authorized Customs offices as determined by the Director of Customs via cargo owner or entrusted broker.

In Cambodia, a declaration is made by submitting a duly completed and signed Customs Declaration Form (also known as the Single Administrative Document-SAD) electronically through ASYCUDA World and in hardcopy at a Customs clearance office. It is the only authentic document that can be used to prove that cargo has been imported into or exported from Cambodia.

After the registration of Customs declaration, changes may only be made to the declaration on the same day of registration and before the physical inspection of goods. Changes to quantity and value information and changes after the registration day must be authorized by the Customs and Excise Department of GDCE.

In certain cases, verbal declaration instead of the written one may be authorized by the Director of Customs. In addition, other supportive documents are also required accordingly.

3.1.1 Declaration for Import

Import declarations consist of direct importation (IM 4), temporary importation (IM 5), re-importation (IM 6), import to bonded warehouse (IM 7), transit (IM 8) and special economic zone (IM 9). With automatic SAD system in service, there are mandatory and optional entries of information as listed in the table.

Table 1 SAD for Import Declaration

Mandatory Entries	type of declaration, Customs code of lodgement, Customs registration number and date, forms (the total number of pages in the declaration), total number of packages, declarant reference number, import/consignee code No.(with VAT/TIN number), value details (not included in the invoice, such as freight, insurance, handling and unloading charges, etc.), P.S.I., declarant/representative code No., country of export, country of export code (C.E. Code), country of origin, country of destination code (C.D. Code), country of destination, identity of means of transport at arrival / departure, delivery terms, currency & total amount of invoice, exchange rate, mode of transport at border, office of entry/exit, item No., commodity code, country of origin code, gross/net mass kg, procedure, supplementary units, item price, adjustment, Customs value, calculation of taxes, accounting details (mode of payment, assessment number, receipt number, guarantee, total fees, total declaration), signature and name of declarant/representative.
Optional Entries	Manifest, exporter/consignor code No., occasional consignee/exporter (with no VAT/TIN number), country of last consignment/country of first destination (LC/FD), nationality of means of transport at arrival/departure, container indicator, identity & nationality of means of transport crossing the border, nature of transaction, inland mode of transport, place of loading/unloading, financial and banking information, location of goods, packages information and description of goods, preference, transport doc./previous declaration, valuation method, additional information, deferred payment.

Other supporting documents are listed as below,

- Commercial Invoice or Contract of Sale document from the supplier of the goods;
- Transport documents such as Bill of Lading or Air Way Bill;
- Packing List.

and if necessary,

- Manifest;
- Import Licenses, Permits or Certificates as issued by Customs and other regulating agencies,

depending on the commodity being imported;

- Certificate of Insurance;
- Certificate of Origin;
- Document issued by Pre-Arrival Assessment authorization (for the import of all food, chemicals, drugs and electric and electronic equipment);
- Other related documents.

3.1.2 Declaration for Export

After receiving permit, exporter or authorized person shall conduct Customs declaration. Export declarations include exportation (EX 1), temporary export (EX 2), re-export (EX 3) and other export procedures (EX 9). With automatic SAD system in service, there are mandatory and optional entries of information as listed in the table.

Table 2 SAD for Export Declaration

Mandatory Entries	type of declaration, office code, Customs registration number & date, exporter/consignor code, forms, items, total number of packages, declarant reference number, value details, P.S.I, declarant/representative code, country of export, country of export code, country of origin, country of destination code, country of destination, identity of means of transport at arrival/departure, delivery terms, currency & total amount of invoice, exchange rate, mode of transport, inland mode of transport, office of entry/exit, packages information and description of goods (number & type, good description as per tariff, commercial description), item number, commodity code, country of origin code, gross/net mass kg, procedure, supplementary units, item price, value detail, adjustment, Customs value, calculation of taxes, accounting details, (mode of payment, assessment number, receipt number, guarantee, total fees, total declaration), signature and name of declarant/representative.
Optional Entries	manifest, importer/consignee code, occasional consignee/exporter, country of last consignment/fist destination, nationality of means of transport at arrival/departure, container indicator, identity & nationality of means of transport crossing the border, nature of transaction, place of loading/unloading, financial and banking information, location of goods, packages information and description of goods (marks on package, container identifier), transport doc./previous declaration, valuation method, additional information (such as production of certificates, authorization), deferred payment,

Other supporting documents are listed as below,

- Commercial Invoice or Contract of Sale document from the supplier of the goods;
- Transport documents such as Bill of Lading or Air Way Bill;
- Packing List.

and if necessary,

- Manifest;
- Export Licenses, Permits or Certificates as issued by Customs and other regulating agencies, depending on the commodity being exported;
- Certificate of Insurance;
- Certificate of Origin;
- Other related documents.

3.1.3 Declaration for Transit

When it comes to transit goods, they must be declared to Customs. An import declaration (transit IM 8) under the transit regime must be submitted to Customs on arrival of the goods at the Cambodian border with the following documents:

- Commercial Invoice or Contract of Sale;
- Bill of Lading or Transport Waybill;
- Packing List.

and if necessary,

- Manifest;
- Any Licenses, Permits or Certificates as issued by Customs and other regulating agencies, depending on the commodity being imported;
- Certificate of Insurance;
- Certificate of Origin;
- Other related documents.

Providing that no duty is payable on transit goods, the declarant must provide a security in the form of a cheque or a letter of guarantee issued by a bank or financial institution in the amount equal to the Customs duties and other obligations to which the goods are liable.

3.2 Documentary Examination

After a Customs declaration is registered, Customs shall check it to verify completeness and correctness of the information declared, including origin, tariff classification, Customs value, Customs regime, and the duty and taxes payable. Also Customs shall check whether the goods are prohibited or restricted or not and the compliance with the corresponding requirements. It is conducted both manually and via Automated System for Customs Data (ASYCUDA).

3.3 Physical Inspection

After documentary examination of Customs declaration, Customs may carry out a complete or partial physical inspection of declared goods based on risk assessment. Scanning is widely used for inspection in Cambodia Customs. Scanning for all containerized cargo is mandatory except: finished product of garment sector; goods of ambassador or organization that has diplomatic immunity, for international organization, all non-government organizations officially recognized by government, grant aid goods, donation goods imported through credit loan of government as well as imported goods of government institution; goods of best traders groups (in case no specific requirement by GDCE), empty container as well as other goods with permission from the Ministry of Economy and Finance (MEF).

Besides, concerning scanning fee, it is USD32 for container with size from 40 feet up, and USD20 for container with size below 40 feet.

3.4 Duty Collection

Once a declaration has been submitted and registered by Customs and then assessed, the importer or owner of the goods shall be liable for import duties and taxes.

Import duties and taxes are paid in accordance with regulations in force. If payment is made via the National Bank of Cambodia or other authorized financial institutions, the receipt issued by these institutes shall be submitted to Customs as evidence of payment. At the major border posts payment can be made directly at the accounts section of the Customs office by certified cheque or for certain regimes by bank

guarantee.

After successful payment of import duties and taxes, Customs will issue a Customs receipt through ASYCUDA.

3.5 Release

After finishing the above-mentioned 4 steps (declaration, documentary examination, physical inspection and duty collection), the goods will be released by Cambodia Customs for importation, or exportation or other legitimate purposes.

4. SPECIAL CUSTOMS CLEARANCE OVERSIGHT

4.1 Oversight on Transit

Cargo being carried under Customs transit is not subject to the payment of duties and taxes, but may be subject to charges and other fees related to the cost of processing transit operations as determined by Ministry of Economy and Finance. In general, GDCE has formulated Prakas No. 508 MEF.BRK on Customs Transit to ensure effective Customs transit operations and trade facilitation. It can be divided into national transit and international transit.

In terms of national transit, it is the transport of cargo (A) from an office of entry to an inland Customs office, (B) from an inland Customs office to an office of exit, or (C) from one inland Customs office to another inland Customs office.

A. Imported goods transit to dry port

- Operator shall receive permission from GDCE in order to implement transit procedure;
- Customs broker lodges summary Customs declaration (Transit Declaration) at office of departure;

- Customs officer in charge of cargo manifest write off container from containerized cargo list;
- Container is to be scanned either at office of departure or at other Customs offices in Phnom Penh;
- If there is no irregularity, competent Customs officers shall stamp and certify Customs transit procedures by defining a number of conditions such as legal routes and duration of transit, as well as affix Customs seals;
- Chief of office of departure sign to finalize the process;
- Customs officer at office of departure allow container to be transited to dry port.

B. Imported goods transit to Special Economic Zone (SEZ)

- Operator submits to office of departure the application for transportation of goods under national transit to SEZ. This application shall be endorsed by representative of GDCE to SEZ in advance;
- Customs broker lodges summary Customs declaration (Transit Declaration) at office of departure;
- Customs officer in charge of cargo manifest write off container from containerized cargo list;
- Goods transited to SEZ are exempted form scanning process;
- If there is no irregularity, competent Customs officers shall stamp and certify Customs transit procedures by defining a number of conditions such as legal routes and duration of transit, as well as affix Customs seals;
- Chief of office of departure sign to finalize the process;
- Customs officer at office of departure allow container to be transited to SEZ.

C. Exported goods cleared at inland Customs office transit to Customs office of exit

- When exported goods cleared at inland Customs office arrive at Customs office of exit, competent Customs officer verifies regularity of Customs seal on transportation mean or container with transit documents. In case there is no irregularity, Customs officer remove Customs seal and release for export;
- Competent Customs officer at office of exit stamps and certifies the “removal of seal” and sign on joint-report on inspection of export goods that was signed by Customs and CAMCONTROL officer at inland office.

In terms of international transit, it is the transport of goods from a Customs office of entry into the Customs

territory to a Customs office of exit. Operator shall receive permission from GDCE in order to implement international transit and follows some procedures below.

A. At Office of Entry

- Customs broker lodges summary Customs declaration (Transit Declaration);
- Competent Customs officer shall fill in section A and C of declaration. In case necessary, competent Customs and excise officer can physically inspect eventually. If there is no irregularity, competent Customs officers shall stamp and certify Customs transit procedures by defining a number of conditions such as legal routes and duration of transit, as well as affix Customs seals.

B. At Office of Exit

- Operator or authorized person show summary Customs declaration to competent Customs officer;
- Competent Customs verifies the regularity of Customs stamp or seal on transportation mean or container with transit documents. In case there is no irregularity, Customs officer certifies in section D of Customs declaration, then removes Customs seal before releasing transit goods to the third country.

Besides, GDCE issued guiding procedures in case of loss or destruction of transit cargo, damage to the transit seals, tear of Customs stamp, transport vehicle and cargo container security standards, security guarantee, etc. It may apply appropriate monitoring measures to prevent substitution, removal, or addition of good.

4.2 Oversight on Temporary Importation (Re-export)

Imported goods may be released by Customs for temporary importation under temporary admission if these goods will be re-exported. Such goods, imported for a specified purpose and for re-exportation within a specified duration without having undergone any change except for normal depreciation due to the use, shall be put under Customs control until such time as the conditions of their temporary admission have been fulfilled. The import duties and taxes may be conditionally relieved in total or in part.

There are 9 categories of imported good under the temporary admission in accordance with Prakas No. 928 MEF.CE on Temporary Importation under Temporary Admission Procedures as below:

- Goods for display or use at exhibitions, fairs, meetings or similar events with reasonable quantity. Such goods must not be loaned or used for hire or compensation, or to be removed from the place of the event;
- Professional equipment necessary for the exercise of the work of a tradesman technician or professional person visiting Cambodia for a specialized task or job which excludes machineries, earthmoving machine and specialized equipment to be used in the industrial manufacture, packaging of goods, for exploitation of natural resources, construction or repair of buildings, for earthmoving or similar projects;
- Containers, pallets, packings, samples and other goods imported with a link to a commercial operation, but they are not for sale;
- Goods imported exclusively for educational, scientific or cultural purposes;
- Goods imported for sports purposes for use by tourists, athletes, business travelers, in contests or demonstrations or for training;
- Tourism publicity material intended to promote visits to another country;
- Goods imported for humanitarian purposes, such as urgently needed medical surgical laboratory equipment and relief consignments for victims of natural disasters;
- Means of transport for commercial use that is used for international traffic for the transport of persons or for the industrial or commercial transport of goods.

Prior to the importation, a request for authorization from Customs is needed, stating in detail the type of goods, quantity, value, the purpose, the owner, duration of the temporary admission and date of exportation. Besides from Customs declaration, Customs may require the provision of security to ensure the duty and taxes on the basis of assessed risk. Security held for temporary imports shall be cancelled and returned upon confirmation of re-export of the goods. Seals, stickers, stamps or other measures may be used to identify the goods with high risk under temporary admission.

Besides, as for the duration of temporarily imported goods, it must be re-exported within one year. The time limit may be extended at the written request prior to the deadline.

Finally, machineries, earthmoving machine and specialized equipment to be used in the industrial manufacture, packaging of goods, for exploitation of natural resources, construction or repair of buildings, for earthmoving or similar projects may be temporarily imported for a specified period. Those goods shall be charged at the reduced rate of 20% of the duty and taxes for each year and the payment shall be

made immediately after temporary admission approval.

4.3 Oversight on Temporary Exportation

Temporary export of cargo may be authorized by Customs for the listed purposes as below:

- For repair, addition, manufacturing, or for additional work or testing;
- For exhibitions or trade fairs;
- To be operated or used outside the Customs territory and then re-imported;
- Other purposes approved by the Director of Customs.

It requires the submission of Customs export declaration. In terms of duty and tax, such goods are charged only on the foreign value of any repairs, additions, manufacturing, or additional work upon their re-importation. If the repair on temporarily exported cargo is under a warranty, it is exempt from duty and tax upon their re-importation.

The temporary exported goods may be granted a maximum period of one year from the date of registration of the Customs export declaration and extension to this limit upon receipt of a written request.

Besides, for such goods that are subject to export duty and tax or in case of temporary export of restricted or prohibited goods, Customs may require a security deposit.

4.4 Oversight on E-commerce

Up to now, a mounting number of online shopping websites and social media have emerged. Notwithstanding, e-commerce has remained relatively undeveloped in Cambodia owing to fundamental causes such as inadequate Internet infrastructure, and limited credit card use. As of 2017, a draft law on E-commerce was submitted to the Council of Minister for review and it is expected to be passed by 2019.

At present, no e-commerce-specific tax regime or Customs clearance measures are in place to affect imports and exports. In light of Instruction No. 004 MEF on Customs Procedure for De Minimis Export-import of Goods in Small Quantity Management, goods under express consignment, non-commercial import, and/or similar forms with FOB value not exceeding 50 USD are deemed as De Minimis which are exempted from duties and taxes.

Meanwhile, consignee or the representative shall lodge summary Customs declaration and attach various supporting documents such as Commercial Invoice, Packing List, VAT Certificate, transport documents, and other related documents if applicable.

4.5 Oversight on Duty Free Imports

According to two governmental regulations (Letter No. 005 on the Revised Form of Imports of Goods through Duty Free Shop and Letter No.1006 on the Management Form of Imports of Goods through Duty Free Shop), duty free imports shall meet the following requirements:

- Require import permit issued by GDCE on each importation;
- Have a warehouse for storage and duty free shop to run the business in accordance with the contract;
- In each importation, payment of fees is made at office of entry in accordance with laws and procedures in force;
- All transportation of all kind of duty free goods under transit procedure in Customs territory shall be attached with transport permit issued by GDCE. If necessary, at least two competent Customs officers accompany the goods until designated destination.

4.6 Oversight on Customs Bonded Warehouses

Please refer to 16. BONDED SYSTEM of this report for details.

5. ASYCUDA - CAMBODIA AUTOMATED CLEARANCE SYSTEM

5.1 Snapshot of ASYCUDA World

At present, Cambodia uses one-stop mechanism, automated system for Customs data processing

(ASYCUDA), to facilitate trade and risk management at nearly all border posts throughout Cambodia, including at the Sihanoukville Port, Phnom Penh International Airport, inland dry ports and numerous land border locations. The objective is to streamline Customs procedures and reduce red tapes.

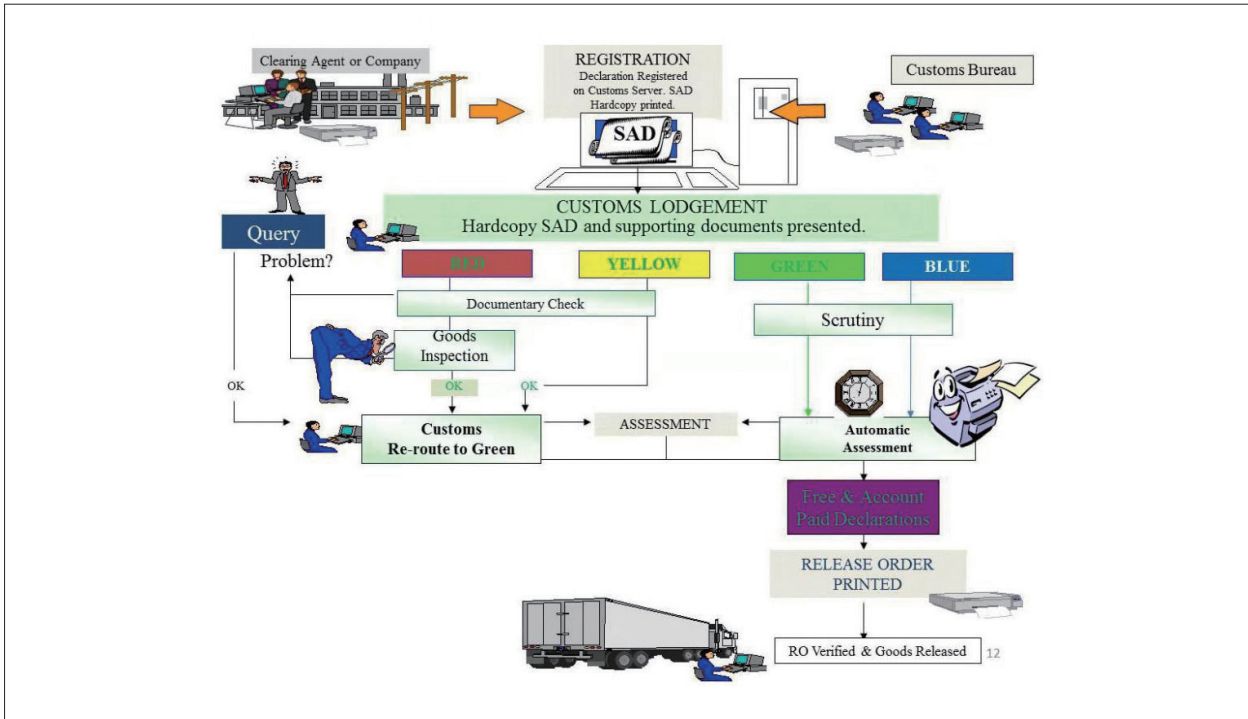
In brief, ASYCUDA offers the electronic submission of Customs declarations and related documents. Processing thereafter is tracked electronically and the declarant or Customs broker will be automatically notified about the declaration status. After assessing the SAD, ASYCUDA calculates the duties, taxes and fees payable.

5.2 Flowchart of ASYCUDA

With ASYCUDA in place, the importers, exporters, and brokers can follow the following steps to facilitate Customs declaration, namely,

- Preparation and printing of Customs declaration;
- Lodgment of the Customs declaration;
- SAD processing lanes (red/yellow/green/blue lane);
- Query desk;
- Container scanning;
- Assessment notice;
- Accounting, release of goods;
- Post-clearance audit (PCA).

Figure 3 Flowchart of ASYCUDA



6. CAMBODIA NATIONAL SINGLE WINDOW

International Trade Single Window is a one-stop automated IT facility to exchange information between traders and government agencies, thereby reducing the complexity, time and costs involved in international trade.

The ASEAN Single Window (ASW) is a regional initiative that connects and integrates National Single Window (NSW) of ASEAN Member States (AMS). The ASW's objective is to expedite cargo clearance and promote ASEAN economic integration by enabling the electronic exchange of border trade-related documents among AMS.

In April 2014, Cambodia completed the National Single Window Blueprint under the support of the World Bank. In March 2015, a National Single Window Steering Committee, along with a Policy and Legal

Advisory Group and a project team, has been set up to carry out the Cambodia National Single Window (CNSW) development. GDCE has led the project and will be the operator of the system, to ascertain the execution in accordance with the implementation plan of the ASEAN Economic Community 2015, and the ASEAN Single Window.

CNSW project is still in progress, and there are 3 phases of CNSW development and implementation including:

- Phase 1: connection of CNSW and ASYCUDA and part of electronic certificates of origin system to allow the limited exchange of ASEAN origin with other Member States;
- Phase 2: integration with other government agencies to CNSW, such as licensing and permit-issuing bodies;
- Phase 3: implementation of CNSW in line with the NSW Blueprint and its supporting documents.

Besides, Cambodia already submitted the request to install the ASW Gateway software to allow Cambodia' participating agencies to align the systems for the conduct of end-to-end testing with participating Member States. Cambodia has joined the ASW Live Operation in July 2019, where the granting of preferential tariff treatment would be based on the Electronic Certificate of Origin (ASEAN Trade in Goods Agreement (ATIGA) e-Form D) exchanged through the ASW. The ASW Live Operation will continue to include more documents, such as ASEAN Customs Declaration Document, electronic Phytosanitary Certificate (e-Phyto), electronic Animal Health Certificate (e-AH) and electronic Food Safety Certificate (e-FS) to be exchanged through the ASW in the future.

To put all into a nutshell, in the long run, CNSW will be merged into ASW for the sake of regional economic integration and trade facilitation.

7. CUSTOMS BROKERS

7.1 Customs Broker Practice

In Cambodia, importers, exporters and the owner of goods can clear Customs on their own with the company's VAT/TIN entered. If they don't have a VAT/TIN, they can still declare by themselves with declarant occasional code 999999999. Meanwhile, if the importer or exporter does not want to declare on their own, the alternative is to use the service of a licensed Customs broker. The brokers who are authorized by the owners of the goods to clear goods must enter the authorized Customs brokers VAT/TIN.

7.2 Legal Status of Customs Brokers

An application is required to be submitted to the Ministry of Economy and Finance to get a Customs broker license, with the information listed: name and address of the application; the locations where the Customs broker business will be conducted; name of qualified Customs brokers and locations where they will operate; financial statements; a certificate of non-conviction issued by the competent judicial authority; a valid VAT registration certificate; and other required documents. The broker license is issued individually to a natural or legal person and is valid for a fixed period of two years with clear compulsory terms and conditions.

The minimum specified subjects relating to Customs broker profession shall be defined by the Customs and Excise Department, which shall organize qualification examination for Customs brokers at least once every year.

The Customs broker license may be cancelled or suspended by the Ministry of Economy and Finance at the request of Director General of Customs and Excise Department if the following conditions appear: violation of Prakas on Establishment and Functioning of Customs Brokers or the provisions of the Law on Customs or regulation relating to the importation or exportation of goods; defrauding or dishonest conduct, bankruptcy or insolvency, failing to conduct duties and responsibilities as a broker and other unqualified performance. In addition, a 30-day notice will be given for the proposed cancellation or suspension by the Ministry of Economy and Finance and the broker can also present the reasons.

Besides, all licensed Customs brokers must pay an annual license fee of 2,000,000 Riels to the Customs

and Excise Department and deposit security to cover duty, taxes, and fees for its Customs clearance operations. In terms of a denial or temporary or permanent revocation of authorization as a Customs broker, no compensation or damages may be paid.

With regard to the license renewal, the application will be submitted at least 30 days prior to the expiration date. If the ownership of a business changes, a new Customs broker license must be applied.

Last but not the least, licensed Customs brokers must provide Customs written authorizations with time limit and locations for clearance and any other conditions set by the Customs and Excise Department from the importer, exporter or the owner of the goods who has entrusted the broker to conduct Customs clearance on their behalf.

7.3 Category and Qualifications of Customs Brokers

In Cambodia, a qualified Customs broker can be either a natural or legal person. The category and qualifications of Customs brokers are listed in the following table.

Table 3 Qualifications of Customs Brokers

Category and Qualifications of Customs Brokers	
Category	Qualifications
A natural person	<ul style="list-style-type: none"> - a citizen or resident of Cambodia; - 18+ years old; - possessing a minimum of a high school certificate level; - Providing a certificate of non-conviction issued by competent judicial authority; - sufficient financial resources for broker business - having passed the Customs broker qualification examination - a good record of fiscal compliance.

Category and Qualifications of Customs Brokers	
A legal person (company)	<ul style="list-style-type: none"> - Incorporated in Cambodia with a commercial registration certificate issued by the Ministry of Commerce and a value added tax registration certificate issued by tax department; - sufficient financial resources for broker business; - a good record of fiscal compliance; - all members of board of directors having a certificate of non-conviction and a good record of fiscal compliance; - a majority of the members of board of directors being citizens or residents of Cambodia; - at least one employee as a qualified Customs broker.

8. CUSTOMS SECURITY

Customs security usually refers to an agreement, which ensures that importers will pay all relevant duties, taxes and fees and operate in accordance with all laws and regulations. Customs security will greatly facilitate the clearance and boost trade as a contract to ensure that importers oblige with duties, taxes and fees collected by the Customs and owed to the government.

8.1 Customs Security in Cambodia

In Cambodia, Customs may require that security to be provided to guarantee the payment of duties and taxes, or to ascertain that the relevant obligations must be fulfilled by the declarant or the responsible party in line with Customs procedures.

8.2 Scope of Customs Security

The scope of Customs security covers the following circumstances:

- The release of goods from Customs control before payment of duty and taxes;
- The movement of goods within or through the Customs territory under the transit regime;
- Authorized Customs brokers, operators of bonded warehouses, operators of temporary storage facilities;
- Temporary import and export of goods;
- Release of goods pending the decision on appeal, release of temporarily seized good;
- Other conditions required by Customs.

8.3 Related Customs Security Regulation

The Ministry of Economy and Finance has issued Prakas No. 112 on Provision of Security to guide the Customs security practice on Feb.15, 2008. The regulation stipulates the scope of security (mentioned above), the way of security payment, the amount of security, waiver of security, release of security, and measures in case of failure to meet the security conditions,.

In terms of the way of security payment, one the one hand, it can be in the form of cash or cheque certified by a bank, on the other hand, it can be the bond or security provided by an approved surety or other formed approved by the Director of Customs. The amount of security may be used once or continuously.

Generally speaking, the amount of security should be sufficient to cover outstanding duty and tax, but it could be reduced for people with a good Customs reputation or as regular and reliable users of security procedures following the assessment conducted by Customs. In some circumstances, the security may be waived by the director of Customs if all obligations have been fulfilled, or the revenue risk is very low, or it is operated by a governmental agency.

Once the obligations for which security is provided have been met, Customs shall release the security provided as soon as possible. Nevertheless, in cases of failure to meet the security conditions, Customs will take some measures to ensure obligation fulfillment according to different forms of security. For cash or cheque, it will keep a sufficient portion of security to cover the amount of duty and tax payable. For surety bonds or bank guarantee, it will submit a claim to the bond issuer or the concerned bank to collect the amount equal to the duty and tax payable if the principal refuses. For other forms, it shall request the guarantor to pay duty and tax payable if the principal fails.

9. PROHIBITIONS AND RESTRICTIONS

In Cambodia, goods are prohibited or restricted from import or export for the sake of the following purposes: the protection of national security; the protection of public order and standards of decency and morality; the protection of human, animal or plant life or health; the protection of national treasures of artistic, historic or archaeological value; the conservation of natural resources; the compliance with the provisions of any legislation of The Kingdom of Cambodia currently in force; and the fulfillment of obligations under the Charter of the United Nations.

9.1 Import Prohibitions, Restrictions, Quotas, and Licensing

No. 209 Anukret on the Enforcement of the List of Prohibited and Restricted Goods, which was issued on December 31, 2007, stipulates 1,537 tariff lines that are subject to prohibition or licensing. It stipulates import prohibition, including used computers and spare parts, metal waste, toxic waste, municipal waste, clinical waste, sewerage sludge and waste of animal hairs, commercial import of certain narcotics, psychotropic substances and their precursors, poisonous chemicals, and certain pesticides in accordance with toxicity classification by World Health Organization. The majority of this list is automatic and does not restrict import quantity or value except for narcotics and fish with restricted quantities.

In order to import the restricted goods, license, permit or certificates as well as other legal documents are required prior to its import or export. No. 209 Anukret states clearly about competent authorities or guiding regulations for license or permit as listed in the chart,

Table 4 Licensing Bodies for Import

Type of Goods	Government Authorities
Import of instruments or technical equipment for airplane	Civil Aviation Authority
All kinds of used equipment of cold, brand new equipment of cold consuming ozone depletion substance	Ministry of Environment
Animal health certificate, phytosanitary certificate, fishery health certificate, animal medicines, materials such as Pharmaceuticals, medical materials, narcotics and related substances for agricultural purposes	Ministry of Agriculture Forestry and Fishery

Type of Goods	Government Authorities
Chemicals	Institute of Standards of Cambodia, Ministry of Industry, Mines and Energy
Pharmaceuticals, medical materials, narcotics and related substances	Ministry of Health
All imported goods	Industrial Standard of Cambodia and Quality and Safety Standard

9.2 Export Prohibitions, Restrictions and Licensing

No. 209 Anukret on the Enforcement of the List of Prohibited and Restricted Goods, which was issued on December 31, 2007, stipulates 1,537 tariff lines that are subject to prohibition or licensing. It stipulates export prohibition or restrictions including antiques, certain narcotic and toxic materials, logs, precious metals and stones, and weapons. The products from natural forests which are prohibited consist of round logs, crude or rough sawn timber, squared logs with a thickness or width of more than 25 cm, oil extracted from yellow vine; yellow vine power; firewood and charcoal.

Regarding export licenses, permits and certificates in Cambodia, please see the table below.

Table 5 Licensing Bodies for Export

Type of Goods	Documentation	Government Authorities
Unprocessed rubber	Export License (valid 60 days)	Ministry of Commerce
Processed wood and non-timber forest products	Export License (valid 60 days), Permit Letter	Ministry of Commerce
Ministry of Agriculture, Forestry and Fisheries		
Sand	Export Permit	Council of Ministers
Raw fruit, vegetables, plants and agricultural materials (including pesticides, fertilizers, seed, and seedling materials, feed additives)	SPS Certification	Ministry of Agriculture, Forestry and Fisheries

Type of Goods	Documentation	Government Authorities
Garments	Certificate of Origin (valid 6 months)	Ministry of Commerce
Drugs and medicines	Certificate (valid 5 years)	Ministry of Health
Live animals	Animal Health or CITES Certificate (valid 5 years)	Ministry of Agriculture, Forestry and Fisheries
Art and cultural products	Authorization, Permit Letter (valid 1 year)	Ministry of Culture and Fine Arts
Fish, crustaceans,		
molluscs, and other aquatic products	Permit Letter (valid 1 year), Certificate of Origin, Customs Permit	Ministry of Commerce, Ministry of Agriculture, Forestry and Fisheries,
Customs and Excise House		
Jewellery, silverware and uncut or unprocessed precious stones	Permit Letter (valid 1 year)	National Bank of Cambodia

Source: *Export Procedure Guide Book for Cambodia SMEs (January 2009)*

Besides, there is no documentation requirement for new handicraft items and silk goods except if they are involved as silverware or an art or cultural heritage product.

9.3 Sanitary and Phytosanitary (SPS) Requirements

Cambodia has adopted SPS practice in order to protect human, animal and plant life and health from the risks such as entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms, which can be from all types of transportation method within, to and from Cambodia.

The list of goods which are subject to Phytosanitary check is decided by the joint sub-decree between the Minister of Agriculture, Forestry and Fisheries and the Minister of Health.

The goods subject to SPS check are as follows:

- Plant, piece of plant, forestry products and processed products;
- Plants that can be a shelter and/or allow entry of disease-carrying organisms or disease-causing

organisms;

- Packing materials such as wooden case, piece of wood or all type of transportation method and warehouse;
- Soil or soil attached to roots of plant or piece of plant; disease-carrying organisms or disease-causing organisms or live/or dead body;
- Non-plant product that can be shelter and/or allow entry of disease-carrying organisms or disease-causing organisms.

The SPS certificate procedure consists of 6 steps as shown below:

- Step 1: Submit Request Letter;
- Step 2: Follow compliance guidelines;
- Step 3: Determine importing country testing and inspection requirements;
- Step 4: Perform laboratory testing if necessary;
- Step 5: Fumigation on export products if necessary;
- Step 6: Export product.

Besides, the Individual or legal person who is the owner of goods must submit a request letter for Phytosanitary check at the nearest phytosanitary competent agency before 10 days prior to exporting goods and must offer convenience for Phytosanitary check. The payment for the above-mentioned phytosanitary measures is the responsibility of the owner of goods. Cambodia Pest Control Services is the company that was authorized to offer service of pest control and fumigation by Ministry of Agriculture, Forestry and Fisheries. Also, for further information of SPS measures, please contact General Department of Agriculture (Department of Sanitary and Phytosanitary Plants Protection).

Last but not the least, The Cambodia SPS Enquiry Point has been established under the Cambodia Import-Export Inspection and Fraud Repression Directorate-General (CAMCONTROL) within Ministry of Commerce. For more information, please refer to the official website (<http://www.camcontrol.gov.kh>).

9.4 Technical Barrier to Trade (TBT)

For certain types of products, it is required to obtain licenses to certify that these products conform to certain technical regulations/standards.

Since January 1, 2007, Cambodia has agreed that it would rely on the provisions of the TBT Agreement to regulate domestic and international trade in prohibited and restricted items.

The competent body in Cambodia for developing and issuing standards is the Institute of Cambodia (ISC). ISC has been assigned as the enquiry point for TBT and as the agency responsible for notifications and publications required by the WTO TBT Agreement. It is also responsible for assessing the conformity of imported product at the request of the competent authorities. The competent authorities have introduced some additional licensing requirements as allowed under GATT Article XX (b) for fisheries and live animals.

For more information, please refer to the official website (<http://www.isc.gov.kh>).

10. DUTIES & TAXES

Cambodia Customs collects duties and taxes on any imported and exported goods except for some exemption conditions. The types of duties and taxes collected by Customs are Customs Duty, Additional Tax, Value-added Tax (VAT), Special Tax, and Export Tax.

10.1 For Importations

Cambodia import tax includes Import Duty, Additional Tax, Value-added Tax (VAT), and Special Tax.

10.1.1 Import Duty

In terms of Import Duty, all tariff rates are MFN bound and uniform for all countries, except for lower rates for ASEAN Dialogue Partners under the Common Effective Preferential Tariff (CEPT). Ad valorem rates are levied on CIF basis and the rates are as follows:

- 0% for essential goods, seeds, and basic raw materials;

- 7% for intermediate goods;
- 15% for machinery and equipment;
- 35% for luxury goods including automobiles.

10.1.2 Additional Tax

Additional Tax is only levied on gasoline and diesel oil. For gasoline, the rate is USD 0.02 per liter, while for diesel oil it is USD 0.04 per liter.

10.1.3 Value-added Tax (VAT)

Value-added Tax covers goods and services through all stages of importation, production and distribution with uniform rate of 10%.

10.1.4 Special Tax

Special tax is levied on selected products locally produced and imported. For domestically produced goods, special tax is calculated on “ex-factory selling price” defined as 65% of the selling price before VAT and any discount. For imported goods, it is calculated inclusively of Customs duty and CIF value. The rates are:

- 3% for telecom services;
- 10% for airline tickets;
- 15% or 45% for motor vehicles;
- 10% or 25% for spare parts for motor vehicles; 5% or 10% for motorcycles and spare parts;
- 10% for cigarettes; 25% for cigars;
- 25% for beers; 10% for wine and spirits and soft drinks;
- 33% for gasoline;
- 4.3% for diesel;
- 10% for kerosene.

10.2 For Exportations

In order to protect human health, facilitate local processing and boost the export of finished products, Cambodia levies export taxes on certain products which includes timber, unprocessed rubber, uncut precious stones, and fish and crustaceans, molluscs and other aquatic products.

For timber export, Ad valorem tax is levied on the value of processed woods with rates of 5% or 10%. All round logs are banned from export.

For rubber, it is subject to specific tax and relevant with the price of rubber. The taxes are:

- No tax if the rubber price is less than USD 1,000/tonne;
- USD 50/tonne if the price is USD 1,001-2,000/tonne;
- USD 100/tonne if the price is USD 2,001-3,000/tonne;
- USD 200/tonne if the price is USD 3,001-4,000/tonne;
- USD 300/tonne if the price is above USD 4,000/tonne.

For other products mentioned above (livestock and fishery products, sand, gravel, and granite), Ad valorem Export Tax rate is 10%.

10.3 Other Customs Fees and Charges

Aside from import and export duties and taxes, Cambodia Customs also collect necessary fees and charges. It covers the following categories:

- Customs processing fee;
- Container checking fee through TH-SCAN system;
- Provisional Customs check of merchandise license fee;
- Fee for keeping goods in provisional Customs stock of merchandise after expired date;
- Automobile stamp tax;
- Customs tax seal;
- Stamp duty (stick on cigarette box);

- Transportation of stock permission letter;
- Container seal.

The fees detail is listed in the following table:

Table 6 Other Customs Fees and Charges

Category		Fees (riel)	Service Fee (riel)
Customs processing fee	Container (>20 feet)	60,000	0
	Container (<20 feet)	40,000	0
	Customs declaration on certain petroleum products	60,000	0
Container checking fee through TH-SCAN system	Container (>40 feet)	US \$ 32	0
	Container (<40 feet)	US \$ 20	0
Provisional Customs check of merchandise license fee (1 year)		20,000,000	0
Fee for keeping goods in provisional Customs stock of merchandise after expired date (1 day)		0.1% of the cost for calculating Customs tax	0
Automobile stamp tax (1 edition)		0	30,000
Customs tax seal (1 page)		0	50
Stamp duty (stick on cigarette box) (1 page)		0	4.2
Transportation of stock permission letter (1 page)		0	500
Container seal		0	8,000

10.4 Tariff Bindings

Cambodia has bound its entire tariff at the HS 8-digit level with all bound rates as ad valorem. The average bound tariff is 20.9%, with 28.4% respectively for agricultural products and 19.8% for non-agricultural products. The applied MFN rate exceeded the bound rate for 60 lines with affected products such as machinery and parts, fireworks, live animals, gasoline and diesel.

10.5 Preferential Tariff

As ASEAN member, Cambodia has adopted the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area, by which tariffs on ASEAN products would be reduced to 0-5% over a ten-year period since January 1, 2000. Average preferential tariffs are less than half of the MFN rate for agricultural products and around one third of the MFN rate for non-agricultural products. The simple average (not weighted) applied MFN tariff in 2017 was 12.3%.

Cambodia is subject to tariff reduction agreed in ASEAN-China Free Trade Agreement (ACFTA). According to Prakas No 645 MEF on Promulgating the Schedule of the Kingdom of Cambodia for the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and the People Republics of China, there are 3 kinds of tracks for tariff reduction:

- Normal track: Cambodia at least 50% of tariff lines shall reduce to 0-5% by January 1st 2012. Cambodia shall eliminate its tariffs not later than January 1st 2015 with flexibility to 2018;
- Sensitive track: Cambodia shall be subsequently reduced to 500 tariff lines at the HS 6-digit level to 0-5% not later than January 1st 2020;
- Highly sensitive list: Cambodia shall keep not more than 40% of the total number of tariff lines in the sensitive track or 150 tariff lines at the HS 6-digit level, whichever is lower.

Except for China, Cambodia is also subject to tariff reductions in various Free Trade Agreements (FTAs) signed by ASEAN with Australia, India, Japan, Korea, and New Zealand.

10.6 Exemptions

In light of No. 105 MEF. BRK Prakas on Management of Goods that Exempt Duties and Taxes, import taxes are subject to exemption in some cases whereas export taxes are not exempted. Import duty exemptions are applicable to temporary import for re-export, good in transit, imports by diplomatic missions, for humanitarian or religious purposes, and for goods imported in connection with Qualified Investment Projects (QIP) approved by the Council for the Development of Cambodia (CDC). Export QIPs are allowed to import production equipment, construction materials, raw materials, and intermediate goods free from Customs duty, unless they operate under the Customs Bonded Warehouse mechanism.

10.6.1 Exemption of Customs Duty

In light of No.114 MEF. PRK Prakas on Determination of Exempted Goods, the details of Customs Duty exemptions are:

- Imports of productions materials, construction materials and production inputs for QIPs approved by CDC;
- Imports of unprocessed agricultural products, seedlings, insecticides, pesticides and agricultural machinery;
- Imports for embassies, international organizations providing humanitarian aid, and certain development projects.

10.6.2 Exemptions of Additional Tax

It is not applicable according to No. 114 Prakas on Determination of Exempted Goods.

10.6.3 Exemptions of Value-added Tax

According to No. 114 Prakas on Determination of Exempted Goods, the following imports are subject to VAT exemptions;

- Agricultural seeds and breeding animals;
- Certain kinds of agricultural equipment;
- On ad hoc basis supporting industries or contractors that supply products or services to export-oriented garment manufacturers.

10.6.4 Exemptions of Special Tax

According to No. 114 Prakas on Determination of Exempted Goods, Special Tax exemptions cover the import of limited quantities of cigarettes, wine, petroleum products and motor oil.

10.7 Refund

No. 108 MEF.BRK Praks on Refund of Customs Duties and Taxes (2008) stipulates clearly the full or

partial refund reasons as below:

- Any over-payment;
- Imported goods that, before releasing from Customs, are found to be short, defective, damaged or spoiled, of inferior quality, and goods being re-exported or destroyed under Customs supervision, even though they are already released from Customs, or there is a change in Customs regime;
- Excess payment due to a decision of the competent appeal authority as prescribed in Article 24 of the Law on Customs or by the competent court.

In addition, duties and taxes on import of raw materials may be refunded if they are directly used in the production or manufacture of goods in Cambodia that are exported.

11. TARIFF CLASSIFICATION

11.1 Customs Tariff of Cambodia

The Harmonized System of Commodities Description and Coding System (HS), is an internationally standardized nomenclature for the description, classification and coding of goods. It is developed by WCO and widely used as basis for Customs tariffs and the international trade statistics. ASEAN has developed ASEAN Harmonized Tariff Nomenclature (AHTN) for its member states on the basis of WCO HS. WCO version is at 6-digit level, and ASEAN AHTN 2012 version is at 8-digit level.

HS is a coding system based on a hierarchical structure, with Section at the highest level, Chapter, Heading, and Subheading for more specific levels. They are coded in line with their positions in the hierarchy.

According to WCO, at the Section level, HS groups products mainly according to the economy sector, starting with agro-products, and ending with industrial and technological products. All goods of a single industry are grouped in a single Chapter or group of Chapters. Within the same Chapter, Headings and Subheadings are arranged by the stage of processing, starting with raw materials and ending with finished

products.

For the 6-digit code, it consists of three parts which offers information on its three different levels of detail. The first 2 digits represent the Chapter in which the goods are classified; the next 2 digits identify the Heading within the Chapter where the goods are described, and the last 2 digits stand for the most detailed Subdivisions of the HS.

However, in order to fulfill national needs, the HS Convention allows the contracting parties to subdivide the HS classification into even more specific levels by additional digits. These additional digits are used for tariff duties and/or trade statistics. They are all termed as national tariff lines or national breakouts.

In January 2014, Cambodia launched a new Customs Tariff Schedule that implements both HS and AHTN. Now Customs Tariff Schedule of Cambodia 2017 consists of 32 sections which are sub-divided into 98 chapters. Based on HS 2017 Nomenclature, it consists of 10,810 lines at 8-digit level. The details are listed as below.

Table 7 Classification of HS Code in Cambodia

Section 1 (Chapter 1-5)	Section 2 (Chapter 6-14)
Live animals & products	Vegetables products
Section 3 (Chapter 15)	Section 4 (Chapter 16-24)
Fats and oils	Prepared foods and, beverages
Section 5 (Chapter 25-27)	Section 6 (Chapter 28-38)
Mineral products	Chemicals & products
Section 7 (Chapter 39-40)	Section 8 (Chapter 41-43)
Plastic and rubber	Hides and skins
Section 9 (Chapter 44-46)	Section 10 (Chapter 47-49)
Wood and articles	Pulp, paper, etc.
Section 11 (Chapter 50-63)	Section 12 (Chapter 64-67)
Textiles & articles	Footwear, handgear
Section 13 (Chapter 68-70)	Section 14 (Chapter 71)
Articles of stones	precious stones, etc.

Section 15 (Chapter 72-83)	Section 16 (Chapter 84-85)
Base metals and products	Machinery
Section 17 (Chapter 86-89)	Section 18 (Chapter 90-92)
Transport equipment	Precision instrument
Section 19 (Chapter 93)	Section 20 (Chapter 94-96)
Arms and ammunition	Miscellaneous manufacturing
Section 21 (Chapter 97)	Section 22 (Chapter 98)
Works of art, etc.	Special transportations not classified according to kind

11.2 General Rules for the Interpretation of the HS

WCO's General Rules for the Interpretation of the Harmonized System are also applied by Cambodia Customs and these are the rules that govern the classification of goods under the HS and there are 6 General Rules in all, which must be applied in consecutive order including:

1. The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.
2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled. (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.
3. When by application of Rule 2 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows: (a) The heading which provides

the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods. (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to Rule 3 (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable. (c) When goods cannot be classified by reference to Rule 3 (a) or 3 (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

4. Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin.
5. In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to therein: (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character. (b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.
6. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, *mutatis mutandis*, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purpose of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

12. CUSTOMS VALUATION

At the time of WTO accession, Cambodia proposed to phase out Minimum Customs Values gradually over five years, with full compliance with the WTO Customs Valuation Agreement by the end of 2008. Since January 1, 2009 the first three methods of Customs valuation (transaction value, identical goods, and similar goods) have been implemented by Customs. Since January 1, 2011, Cambodia has fully implemented the WTO Customs Valuation Agreement.

As stated clearly in No.387 MEF.BK Prakas on Customs Valuation of Imported Goods (2008), there are 6 valuation methods in practice in Cambodia.

- **Valuation Method 1: Transaction Value**

The Customs value of imported goods shall be their transaction value (as primary basis of valuation), i.e. the price actually paid or payable for the goods when sold for export to Cambodia, adjusted in accordance with Chapter III of the No.387 Prakas.

With this method, the price actually paid or payable for the goods shall be adjusted in determining the transaction value of goods in the following conditions (as described in Chapter III of No.387 Prakas)

By adding amounts, to the extent that each such amount is not included in the price actually paid or payable for the goods, equal to:

Table 8 Adding Elements for Transaction Value

1	Commissions and brokerage.
2	The packing costs and charges (including the cost of cartons, cases, and other containers and coverings for Customs purposes).
3	The value of any of the following goods and services: materials, component parts, and other goods incorporated in the imported goods; tools, dies, moulds, and other goods utilized in the production of the imported goods ; materials consumed in the production of the imported goods; engineering, development work, artwork, design work, plans, and sketches undertaken elsewhere than in Cambodia and necessary for the production of the imported goods.
4	Royalties and license fees (including payments for patents, trademarks, and copyrights, exclusive of charges for the right to reproduce the imported goods in Cambodia).

5	The value of any part of the proceeds of any subsequent resale, disposal, or use of the goods by the buyer that accrues or is to accrue to the seller directly or indirectly.
6	The cost of transportation and insurance of, and the loading, unloading, and handling charges, and other charges and expenses connected with the transportation of the imported goods until the goods have arrived in Cambodia.

- By deducting amounts, equal to:

Table 9 Deducting Elements for Transaction Value

1	Any reasonable cost, charge, or expense owing to construction, erection, assembly, or maintenance of, or technical assistance of the goods after import.
2	Any reasonable cost, charge, or expense due to the transportation or insurance of the goods within Cambodia.
3	Any reasonable cost, charge or expense linked with any Customs duties or taxes payable in Cambodia.

- **Valuation Method 2: Transaction Value of Identical Goods**

When the first method cannot be applied to determine the Customs value, the Customs value of the goods shall be the transaction value of identical goods if the identical goods were exported to Cambodia at the same or substantially the same time as the goods being valued were sold.

- **Valuation Method 3 : Transaction Value of Similar Goods**

When the second method cannot be applicable for Customs valuation, the third method shall be adopted as an alternative if the similar goods were exported to Cambodia at the same or substantially the same time as the goods being valued were sold.

- **Valuation Method 4 : Deductive Value**

Deductive value will be utilized if the previous-mentioned three methods cannot determine Customs value. The deductive value of the goods being valued shall be the price per unit in respect of sales described in Article 23 of No. 387 Prakas and adjusted in accordance with Article 24 of this Prakas, in which the greatest number of units of the goods being valued or identical or similar goods is sold. The following elements shall be subtracted from the price per unit.

Table 10 Deducting Elements for Deductive Value

1	Commission generally earned on a unit basis
2	Profit and general expenses, including all costs of marketing the goods as a whole and generally reflected on a unit basis
3	Reasonable costs charges and expenses incurred from transportation and insurance of the goods
4	Any Customs duties or other taxes payable in Cambodia
5	The value added to the goods due to the assembly, packaging, or further processing in Cambodia

- Valuation Method 5 : Computed Value

When the above-mentioned four methods are inapplicable, the Customs value of the goods shall be the computed value, which is the sum of amounts equal to:

Table 11 Deducting Elements for Computed Value

1	The cost of materials or processing in producing the goods
2	The cost, charges and expenses of engineering, development work, artwork, design work, plans, or sketches incurred by the producer
3	The amount for profit and general expenses linked with sales for export to Cambodia of goods of the same class or kind

- Valuation Method 6: Residual Basis of Valuation

When method 5 cannot determine the Customs value, a flexible and reasonable value derived from the above-mentioned five methods on the basis of available information in Cambodia.

13. RULES OF ORIGIN

13.1 Rules of Origin

Rules of origin are the criteria needed to determine the national source of a product. It is very essential for duties and restrictions in several cases which depend upon the source of imports.

A Certificate of Origin (C/O) is an official document to certify the products originated, wholly obtained, produced or manufactured in a country. It is generally an integral part of import documents required by the imported countries.

There are two types of C/O in Cambodia: non-preferential and preferential. The competent authorities of C/O is Ministry of Commerce in Cambodia.

- Non-preferential rules of origin includes a package of commercial policy instruments, such as MFN treatment, anti-dumping and countervailing duties, safeguard measures, origin marking requirements and any discriminatory quantitative restrictions or tariff quotas, as well as those used for trade statistics and government procurement.
- Preferential rules of origin include the preferential arrangements to which they apply, judicial decisions, and administrative rulings of general application. For instance, as an ASEAN member, Cambodia participates in preferential trade agreements with Australia and New Zealand, China, India, Japan, and Korea.

13.2 Certificate of Origin (C/O)

In Cambodia, non-preferential and preferential Certificates of Origin are listed in below:

Table 12 Preferential and Non-Preferential Certificates of Origin

Preferential Tariff Certificate of Origin	
ASEAN-Australia- New Zealand	Form AANZ
China	Form AC
India	Form AI

Preferential Tariff Certificate of Origin	
Korea	Form AK
Japan	Form AJ
Vietnam	Form S
General System of Preferences (LDC and LLDC)	Form A
Non-Preferential Tariff Certificate of Origin	Form N

13.3 Application for C/O

The exporters need to apply for C/O at the Export-Import Department, Ministry of Commerce via automation system - The C/O Application Online. The procedures of the application for Certificate of Origin could be found in Prakas No. 112 MOC/SM 2013 on Revision of Certificate of Origin Issuance Procedures.

13.4 Payment for C/O Application

The fee for C/O application includes Export Management Fee (EMF), and Public Service Fee. The payment is illustrated as below:

Table 13 The Fee for C/O Application 1

C/O	Admin. Fee	EMF	Public Service
Form N	30 USD	EMF	8 USD
Form A	50 USD	EMF	8 USD
Other Form	50 USD	EMF	8 USD

For garment products under 2,000 PCS or Footwear under 200 PRS, the payment is as below:

Table 14 The Fee for C/O Application 2

C/O	Admin. Fee	EMF	Public Service
Form N	10 USD	EMF	18 USD
Form A	15 USD	EMF	23 USD
Other Form	15 USD	EMF	23 USD

Note: EMF is varied according to the products and exception for export of products at the value under 6,000 Euro for European countries and under 800 USD for other countries.

14. ADVANCE RULINGS

Advance ruling was established and put into implementation in Cambodia on January 4, 2013 in order to enhance trade facilitation and to ensure the accuracy of completion of Customs declaration (SAD) according to the provision of Customs Law.

Advance ruling is a written statement issued by the GDCE to a person upon his/her written request on (a) the tariff classification, (b) the interpretation and application of the Law and regulations relating to the Customs valuation, or (c) the origin of the goods to be imported.

In Cambodia, the request forms of advance ruling include:

- AR-TC Form 1 for Tariff Classification;
- AR-CV Form 1 for Customs Valuation;
- AR-OG Form 1 for Determination of Origin of Goods.

In addition, the request forms for review of an advance ruling consist of:

- AR-TC Form 4 for advance ruling on Tariff Classification;
- AR-CV Form 4 for advance ruling on Customs Valuation;
- AR-OG Form 4 for Origin of the Goods.

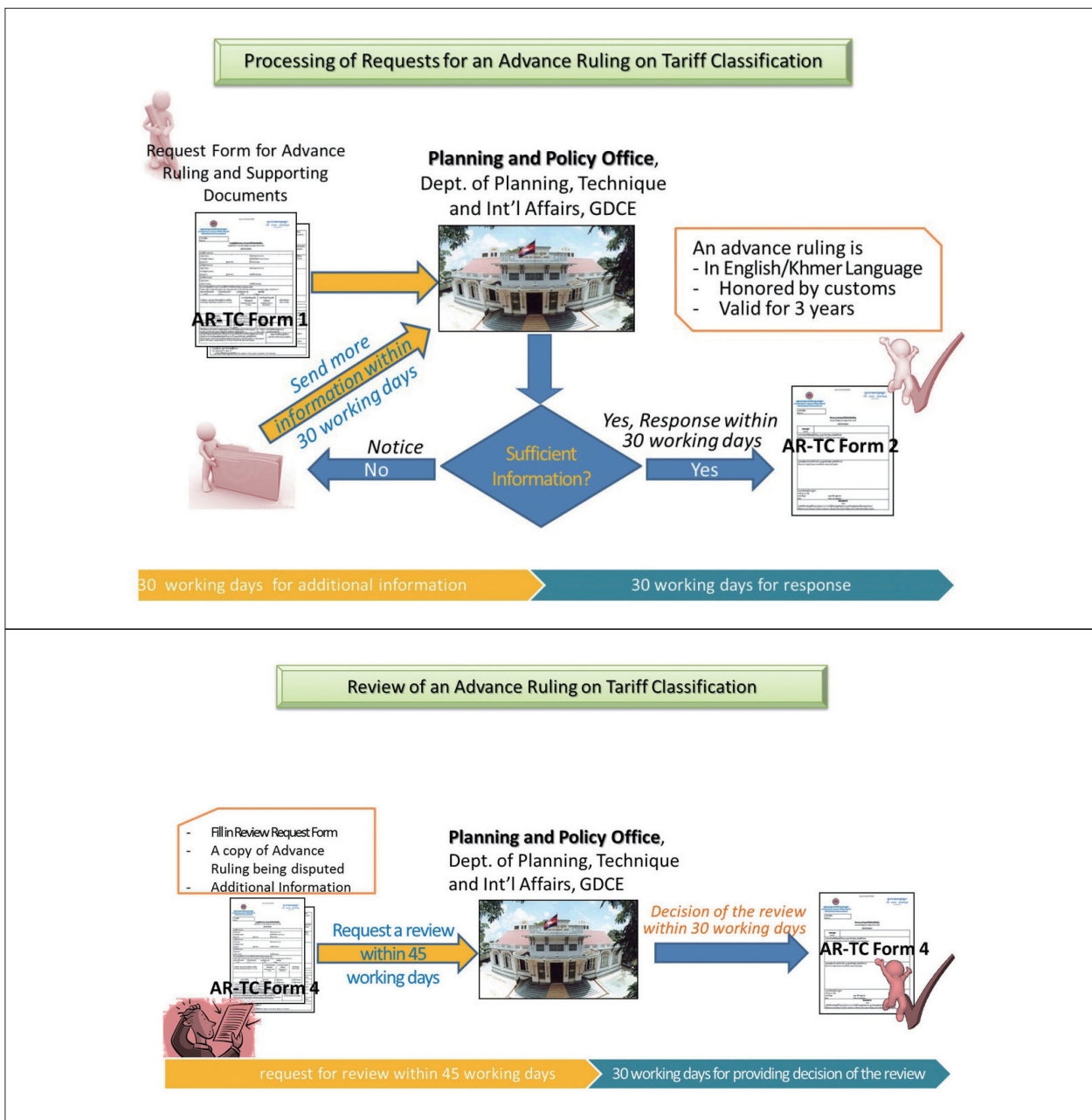
The advance rulings are binding on the Customs from the effective date of the ruling, and remain valid for 3 years from the date of issuance.

14.1 Advance Ruling on Tariff Classification

Advance ruling is applicable to tariff classification in Cambodia. The competent authority is office of Planning and Policy within GDCE.

The process is listed in the following figure.

Figure 4 Processing and Review for an Advance Ruling on Tariff Classification

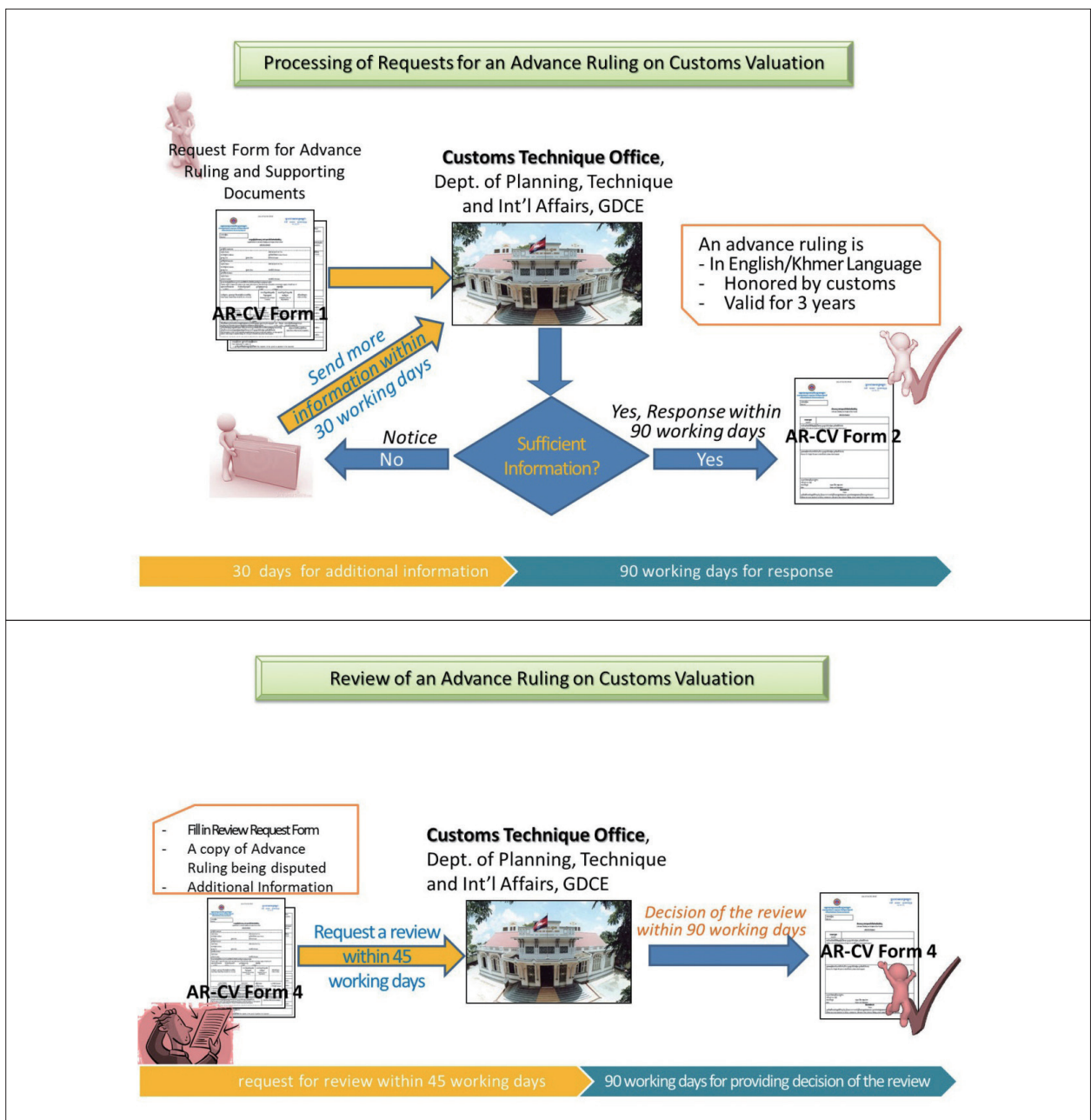


14.2 Advance Ruling on Customs Valuation

Advance ruling is applicable to Customs valuation in Cambodia, The competent authority is Office of Customs Technique within GDCE.

The process is listed in the following figure.

Figure 5 Processing and Review for an Advance Ruling on Customs Valuation

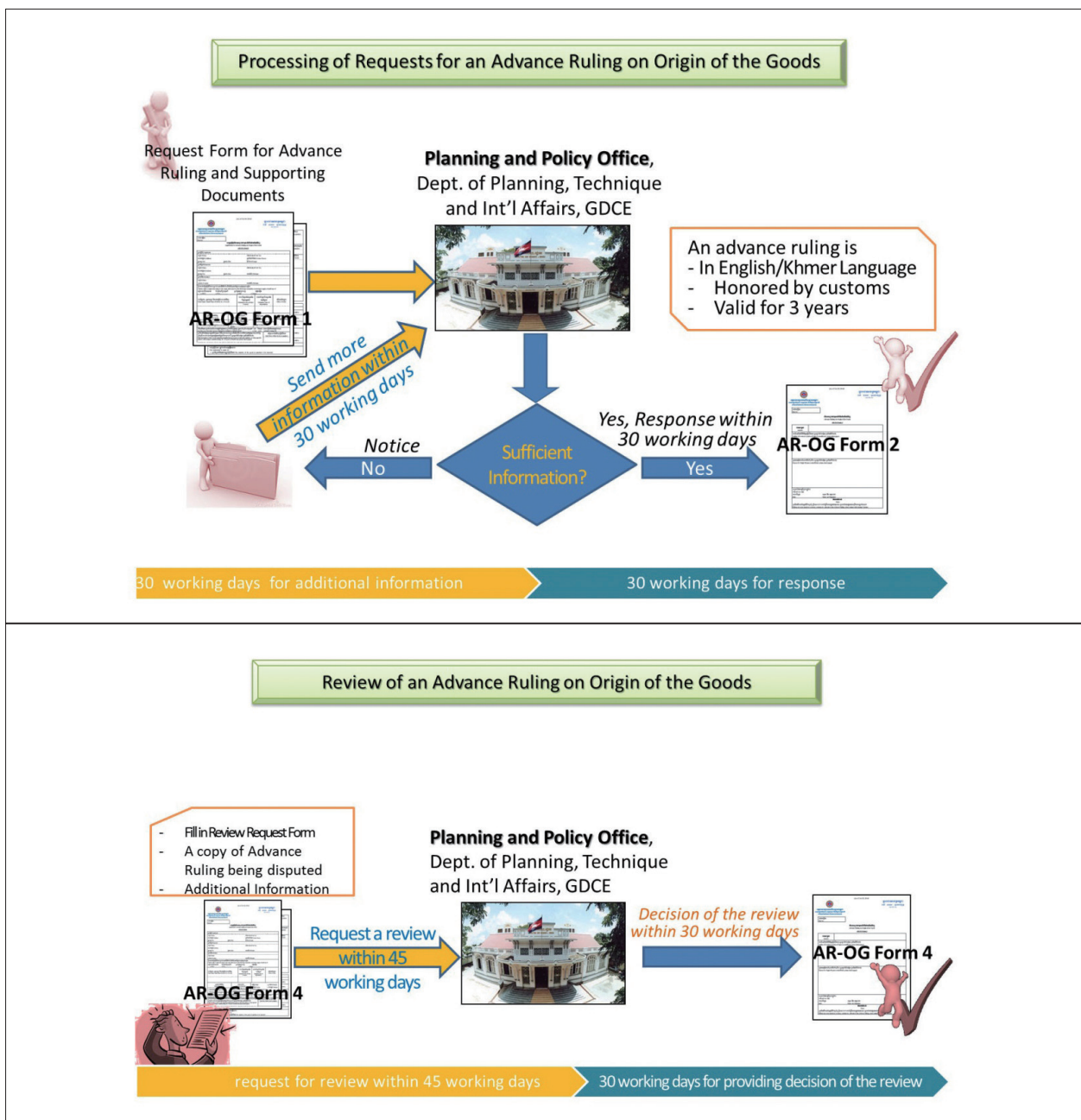


14.3 Advance Ruling on Origin

Advance ruling is applicable to origin in Cambodia; the competent authority is office of Planning and Policy within GDCE.

The process is listed in the following figure.

Figure 6 Processing and Review for an Advance Ruling on Origin of the Goods



15. FREE TRADE AGREEMENTS

As an ASEAN member state, Cambodia has joined the ASEAN Free Trade Area and the ASEAN Framework Agreement on Services, and it is also a signatory to ASEAN Agreements entered with other countries, which are listed as below.

- ASEAN Free Trade Area Agreement, signed on 12/08/1980, effective since 01/01/1993;
- ASEAN Trade in Goods Agreement (ATIGA), adopted on 26-02-2009, effective since 17-05-2010;
- ASEAN-China Free Trade Agreement(ACFTA), signed on 28/11/2004 (goods) and 14/01/2007 (services), effective since 01/01/2005 (goods) and 01/07/2007 (services);
- ASEAN-Korea Free Trade Agreement(AKFTA), signed on 24/08/2006 (goods) and 21/11/2008 (service), effective on 01/01/2010 (goods) and 14/10/2010 (services);
- ASEAN-Japan Comprehensive Economic Partnership Agreement(AJCEP), signed on 26/03/2008, effective since 01/12/2008;
- ASEAN –Australia –New Zealand Free Trade Agreement(AANZFTA), signed on 27/02/2009, effective since 01/01/2010;
- ASEAN-India Free Trade Agreement(AIFTA), signed on 13/08/2009 (goods) and 13/11/2004 (services), effective since 01/01/2010 (goods) and 01/07/2015 (services);
- ASEAN Framework Agreement in Services, effective since 01/07/2015.

Under such FTAs as guideline, Cambodia has promulgated internal regulations to implement preferential treatment on duties and taxes.

Meanwhile, Cambodia has also signed bilateral investment promotion and protection agreements with 24 countries or territories, which provide reciprocal national treatment to investors and settlement of investment disputes via arbitration.

16. BONDED SYSTEM

16.1 Customs Bonded Warehouses

A Customs Bonded Warehouse is a building, place or an area that is authorized to store goods for a specified duration under Customs control. When the imported or exported goods are stored in a Customs Bonded Warehouse, duties and taxes are suspended.

According to No. 116 MEF.BRK Prakas on Customs Bonded Warehouse, Cambodia has 3 types of Customs Bonded Warehouses as follows:

- **Public Bonded Warehouses**

They are authorized by MEF and may be operated by government agencies or by any approved person. The person who has the legal right to goods may store the goods in the public bonded warehouse, including importers, a person to whom the goods have been sold while in the warehouse or anyone who has the legal right to dispose of the goods.

- **Private Bonded Warehouses**

They are authorized by the Director of Customs and to be solely used by authorized persons for storage of specific goods for their own use, including operators of duty-free shops.

- **Special Bonded Warehouses**

They are authorized by the Director of Customs and are used for storing hazardous goods, goods that could affect the quality of other goods or goods requiring special storage facilities.

16.2 Customs Manufacturing Bonded Warehouses

Under some special circumstances, MEF may issue licenses for the operation of Customs Manufacturing Bonded Warehouses. The license shall specify the list of raw materials/components, machinery and equipment with suspended duties and taxes, to be directly used in the manufacturing or processing of goods.

The licensed Customs Manufacturing Bonded Warehouse operators are authorized to carry out processing and manufacturing of the approved products under the Customs control. In addition, MEF also issues licenses for the operation of Customs Manufacturing Bonded Warehouse for processing or refining of crude petroleum or bituminous minerals to obtain petroleum products.

As clearly stated in No. 116 MEF.BRK Prakas on Customs Bonded Warehouse and Article 49 of the Law on Customs, the requirements for the duties and taxes are:

- Imported goods that are removed from the Customs manufacturing bonded warehouse for domestic consumption shall be subject to the duties and taxes payable;
- Finished products removed from Customs manufacturing bonded warehouses for domestic consumption are subject to the payment of duties and taxes on the value of imported raw materials used in their manufacture upon which duties and taxes have been suspended;
- Duties and taxes shall be charged in line with the Customs tariff and the rates of duties and taxes in effect on the date of the registration of the Customs declaration for admission of the goods to the warehouse.

16.3 Special Economic Zones (SEZs)

Special Economic Zone refers to the special areas for the development of the economic sectors which brings together all industrial and other related activities and may include General Industrial Zones and/or Export Processing Zones.

To facilitate development, Cambodia has approved 46 Special Economic Zones (SEZs) to attract foreign direct investment, out of which 16 SEZs are operational. The Council for the Development of Cambodia (CDC) is the executive agency in charge of SEZs.

In Cambodia, according to Prakas No. 734 Special Customs Procedures Implemented in Special Economic Zones, the authorized Customs officer shall divide each Special Economic Zone into two different parts: national Customs territory and different Customs territory. Customs duties and taxes are paid and got the same treatment as normal procedure in the national Customs territory, which consists of supply trade service and other services such as transportation, tourism, living and residential construction which are the basis of trade activities and other needs. By contrast, different Customs territory is an area where export or import exits or enters the territory which is considered as temporary storage out of national Customs territory; especially, involved with the implementation of the different Customs procedure

in processing of quick Customs formality and getting the most favorite treatment as much as possible. It consists of general industry zone, export processing zone and free trade area.

Cambodia offers a number of incentives in SEZs, including profit tax holidays and rebates, special depreciation, exemption from import duties and taxes, zero-rate VAT on imports and special Customs procedures.

Specifically speaking, in SEZs, Cambodia Customs duties exemption covers:

- Import of production equipment;
- Import of construction materials;
- Import of production inputs;
- QIPs whose output is for export and for firms supplying the garment and footwear industries.

17. CUSTOMS SUPERVISION AND CONTROL ON TRADE IN SERVICE

Services have taken up nearly 40% of the Cambodian economy after it adopts a liberal regime for trade in services as part of its accession to the WTO. Cambodia implemented market access commitments across the full range of services sectors.

Besides, regionally speaking, ASEAN leaders have committed to achieving free and open trade, including trade in services by 2015. The ASEAN Framework Agreement in Trade in Services (AFAS) was launched in 1995. Cambodia Customs is making utmost efforts to facilitate trade in service.

18. POST-CLEARANCE AUDIT (PCA)

Post-clearance audit (PCA) is an audit, investigation, inspection or control in a systematic manner by competent Customs officers to verify the accuracy and authenticity of Customs declarations through the examination of the relevant documents, books, records and other business information systems about imports and exports.

18.1 Scope of PCA

According to No. 388 Prakas on Post-clearance Audit by General Department of Customs and Excise, PCA shall be conducted on persons involved or engaged in the importation, exportation of goods, including importers, exporters, Customs brokers, operators of the Customs temporary storage, operators of Customs bonded warehouses, transportation companies or other person who are involved in the importation or exportation of goods. They must disclose all information, invoices, and other documentation to enable Customs to verify and accurately determine the tariff classification, origin of goods and the Customs value of the imported goods.

18.2 Validity of PCA

Based on No. 388 Prakas, Customs may re-determine the declared tariff classification, the declared origin of goods and declared Customs value within 3 years of the date of registration of any Customs declaration, following an audit, investigation, inspection or examination of the imported goods.

Once any fraudulent activities are found via PCA, the Director of Customs will issue a notice for the goods under investigation, within a period no longer than ten years from the original date of registration of Customs declaration.

18.3 Requirements and Procedure of PCA

According to the No. 388 Prakas, the relevant information should be provided once required by a competent Customs officer: copies of the documents on management of documents, books, records and other information on import and export; response to questions of competent Customs officers on pertinent matters; and any relevant and necessary information recorded or stored by means of an electronic or other device.

The competent Customs officers are entitled to perform the following actions:

- They may enter any premises or places where the relevant information is kept at any time in accordance with No. 388 Prakas;
- They may inspect the relevant information or any necessary matters;
- They shall have full access to all lands, buildings, places and to all documents records;
- They may make extracts from or copies of any records or documents;
- They shall provide a true copy of the document or record certified by competent Customs officer at the request of the person in the possession of the document or record.

18.4 Consequences of PCA

There are two scenarios following the PCA. On the one hand, if PCA finds no irregularity or violation of existing laws or regulations, the Customs officer must immediately complete the audit report and terminate the audit. On the contrary, the officer must write down this violation and collect all information necessary and submit to the competent chief of office, branch or check point with the audit report and take further actions in line with the existing laws and regulations.

19. ENFORCEMENT AND APPEALS

19.1 Offences and Penalties

In light of Law on Customs, anyone who is involved with goods import and export, in contravention of the law or regulations, shall be deemed as Customs offences. The violator may be punished by administrative fines imposed by Customs, and by judicial penalties imposed by the competent Court, or both.

Articles 73 - 76 of Law on Customs stipulate the violations and corresponding penalties in details.

For instance, any person who commits violations of regulations and provisions of this law, including the evasion of duty or taxes, is subject to administrative fines of between 1 time to 3 times the duty and tax evaded.

For more information, please refer to Chapter XI Penalty Provision of Law on Customs.

19.2 Appeals

Prakas No. 570 MEF.PR on Complaining Procedures against Customs Record gives legal basis for the violator to appeal.

Upon receiving the notification of the punishment or detention, the violator can appeal in writing to the GDCE within 30 days by providing the reasons of appeal and depositing security in accordance with the Article 41 of Law on Customs.

The appeal shall have information such as:

- name, address and signature of the person concerned;
- The details of Customs offense record or temporarily detention record including the copy of those records;
- The description of the reasons for appeal.

The appeal can be lodged at Customs units including:

- Offices issuing offence records or penalty;
- Related Customs and excise branches;
- Office of legal affairs and public relation;
- Secretariat of the GDCE.

After receiving the complaint, the relevant Customs units have to send the appeal to the GDCE without delay. The GDCE shall issue the written decision within 60 days from the date of receiving the appeal application. Otherwise, the appeal is considered to be agreeable. If the GDCE disagree with the appeal, the person concerned has right to appeal to the competent institutions including competent court against the decision of the GDCE. The complaint has to be done within 30 days after receiving the decision of the GDCE.

20. CUSTOMS IPR BORDER PROTECTION

Cambodia has been a member of the World Intellectual Property Organization (WIPO) since 1995 and the Paris Convention for the Protection of Industrial Property since 1998. Cambodia has been participating in the ASEAN Framework Agreement on Intellectual Property Cooperation since 1999 and joined the EC-ASEAN Intellectual Property Rights Cooperation Program.

In 2005, WTO granted Cambodia an extension until 2016 to fully implement IPR protection in line with the WTO TRIPs (Trade-related Intellectual Property Rights) Agreement, under which, Cambodia must introduce an IPR enforcement regime that includes remedies for the civil and criminal enforcement of IPRs, together with administrative measures for the border enforcement of IPRs.

The enquiry point for intellectual property is the IPR Department within MOC. It is responsible for the formulation and implementation of policy on trademarks, trade names, and acts of unfair competition. It also coordinates the drafting and implementation of IP laws and regulations and acts as the focal point for international cooperation.

The competent border authority – the General Department of Customs and Excise is entrusted with enforcement of IPR at the border to prevent the import/export/transit of counterfeit goods and pirated copyright goods. Customs protection of intellectual property is normally initiated by an application of the right-holder or by ex-officio action. The Ministry of Culture which is responsible for the protection of copyright works may be engaged in ex-officio actions. CAMCONTROL is responsible for enforcement of IPR at the border and is entitled to inspect and detain the infringing goods under the Consumer Protection Act and relevant IP provisions.

Besides, Cambodia has issued laws and regulations to allow Customs authorities to inform right holders about the possible importation or exportation of infringing goods.

21. AUTHORIZED ECONOMIC OPERATOR (AEO)

Cambodia has taken a preliminary step towards eventually implementing an Authorized Economic Operators program by improving its Best Traders Program (BTP) started in 2014. As of 2018, 17 companies have qualified under this program and received benefits including:

- Customs procedures priority (declaration, inspection, release, etc.);
- Exemption from pre-verification of Customs valuation and certificates of origin;
- Exclusion from the obligation of securing a transport permit for the import and export of goods.

In light of Prakas No 452 MEF on High Compliant Trader Incentive Mechanism, the criteria to become Best Traders in Cambodia are as below:

- Ranking first in Trade Credibility Management System (TCMS);
- Be legal person with its registered capital not less than 1 billion Riel;
- Having never committed serious Customs offence in the last 3 years;
- Be not in debt of Customs duties beyond the deadline or defaults on other debts;
- Having their books related to the import-export in accordance with existing regulations;
- A member of Authorized Business Community and must be certified on the financial situation and the compliance of the trader by its chairperson;
- Having an annual trade volume not less than US\$2 million;
- Being obliged to report in any forms as determined by the Best Trader Management Unit of the GDCE.

In addition, GDCE will increase members of Best Traders Group (BTG) and reach to the full implementation of Authorized Economic Operator (AEO) program in accordance with Customs strategy and work programs on reform and modernization (2014-2018).

22. TRADE STATISTICS

In Cambodia, trade statistics is conducted by the Department of Planning, Trade, and Statistics Information of the Ministry of Commerce. It has weekly business roundup, import and export statistics, and business registration year book.

Import and export statistics is the yearly import-export statistics of Cambodia and it shows about the commodity and market of Cambodia's trade during the year. It consists of four categorized documents:

- Cambodia's exports by country, listing all countries with their imported products from Cambodia;
- Cambodia's export by product, listing all products with the imported countries from Cambodia;
- Cambodia's imports by country, listing all countries with their exported products to Cambodia;
- Cambodia's import by product, listing all products with the exported countries to Cambodia during the year.

23. OFFICIAL BUSINESS HOURS

The service time of the General Department of Customs and Excise is from Monday to Friday and closes on weekends and official holidays.

24. CONTACT INFORMATION

For further and detailed information relating to Customs affairs, enquiries should be addressed to the following contacts:

General Department of Customs and Excise of Cambodia

Tel: +855 23214065

Fax: +855 23214065

E-mail: info-pru@customs.gov.kh

Facebook: www.facebook.com/cambodiacustoms

Address: 6-8, Preah Norodom Blvd., Sangkat Phsar Thmei III, Khan Daun Penh, Phnom Penh, Cambodia

25. OFFICIAL WEBSITES

- Cambodia Customs: <http://www.customs.gov.kh>
- Cambodia's Ministry of Commerce: <http://www.moc.gov.kh>
- Cambodia National Single Window: <http://www.nsw.gov.kh/>
- Council for the Development of Cambodia (CDC): <http://www.cdc-crdb.gov.kh/>
- Camcontrol: <http://www.camcontrol.gov.kh/>
- Cambodia National Trade Repository: <https://cambodiantr.gov.kh/>
- Ministry of Agriculture Forestry and Fisheries: <http://www.maff.gov.kh/>
- Ministry of Environment: <http://www.camnet.com.kh/moe/>
- National Institute of Statistics: <http://www.nis.gov.kh/>
- SPS Enquiry Points: <http://www.camcontrol.gov.kh>
- TBT Enquiry Points: <http://www.isc.gov.kh>

REFERENCE

1. Cambodia Customs: <http://www.customs.gov.kh>.
2. Cambodia's Ministry of Commerce: <http://www.moc.gov.kh>.
3. Trade Policy Review Report by Cambodia (2018) .
4. ASEAN Single Window: <http://asw.asean.org/>.
5. World Customs Organization: <http://www.wcoomd.org/>.
6. World Trade Organization: <https://www.wto.org/>.

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