

HANDBOOK ON CUSTOMS CLEARANCE



Ministry of Economy and Finance
General Department of Customs and Excise of Cambodia
October 2015

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KINGDOM OF CAMBODIA
NATION RELIGION KING

GENERAL DEPARTMENT OF CUSTOMS AND EXCISE

No. 780 AKR

Phnom Penh, June 8, 2015

LETTER OF COMMAND

GENERAL DIRECTOR

GENERAL DEPARTMENT OF CUSTOMS AND EXCISE

- Having seen constitution of Kingdom of Cambodia
- Having seen Reach Kret No. NS/RKT/0913/903 24 September 2013 on nomination of Royal Government of Cambodia
- Having seen Reach Kram No. 02/NS/94 20 July 1994 on promulgation of Law on arrangement and implementation of Council of Ministers
- Having Reach Kram No. 06/NS/94 30 October 1994 on promulgation of law on common statute of civil servant of Kingdom of Cambodia
- Having seen Reach Kram No. NS/RKM/0196/18 24 January 1996 on promulgation of law on establishment of Ministry of Economy and Finance
- Having seen Reach Kram No. NS/RKM/0707/017 20 July 2007 on promulgation of law on Customs
- Having seen Anukret (sub decree) No. 488 ANKr.BK 16 October 2013 on arrangement and implementation of Ministry of Economy and Finance
- Refer to Sarachor (proclamation) No. 001 SR.SHV.BrK 06 January 1995 of Ministry of Economy and Finance on management of officers of Customs and Excise
- Refer to Prakas (proclamation) No. 389 SHV.BrK 17 June 2010 of Ministry of Economy and Finance on the arrangement and implementation of institution base of General Department of Customs and Excise
- Refer to needs and necessary works of General Department of Customs and Excise

ORDER

Term 1

Establish working group to make book of legislative procedure of cargos clearance as composition is stated as below:

1. Mr. PHA ENG VENG	Director, Department of Customs Regime	Head
2. Mr. SOK SOVITHYEA	Deputy Director, Department of Planning, Technique and International Affairs	Deputy Head
3. Mr. OUK KIMSEA	Chief of PPSEZ Customs and Excise Office	Member
4. Mr. CHHORN VOEUN	Chief of Administration and Management Unit at PP Airport Branch	Member

5.	Mr. MOK HUOT	Chief of Administration and Management Unit at Customs and Excise Branch of Export	Member
6.	Mr. NORNG SOKHOM	Chief of Bavet Customs and Excise Office	Member
7.	Mr. YOENG SAM ORN	Deputy Chief of Svay Reang Customs and Excise Branch	Member
8.	Mr. UN HEMALINE	Deputy Chief of Textile Investment Unit, Department of Customs Regime	Member
9.	Mrs. BUNNY SOCHEATA	Deputy Chief, Administration and Management Unit, Customs and Excise Post Office Branch	Member
10.	Mr. LIV BORANN	Deputy Chief, Administration and Management Unit, Customs and Excise Preah Sihanouk Ville Port Branch	Member
11.	Mrs. OUK CHANSOPHEAP	Officer, Department of Planning, Technique and International Affairs	Member
12.	Mr. NOY SOPHANNARITH	Officer, Customs and Excise International Airport Branch	Member

Term 2

Handbook of legislative procedure of cargos clearance Working Group has obligations and duties as following:

- Coordinate and cooperate with Mr. Hiroshi SUZUKI, independent consultant, in order to collect all instructions and regulations in force for making handbook of legislative procedure of cargos clearance
- Coordinate and contact with all involved customs offices; authorized ministries or institutions; and private sectors as needed in order to make handbook of legislative procedure of cargos clearance
- Implement other duties as appointed by Director General of the General Department of Customs and Excise

Term 3

General Director of Secretariat; Director of Administration and Management of all involved customs and excise offices and officials own selves have to oblige according to this letter of command with high efficiency from the date of signature.

Copied to:

- Cabinet of Minister, Ministry of Economic and Finance
"to be informed"
- As stated in term 3
"to implement"
- Historical Document

Director General

General Department of Customs and Excise

Dr. KUN NHEM

PREFACE

The existing Law on Customs and its supporting regulations as well as other customs clearance procedures have been continuously developed since 2007 by national and international customs experts, particularly the experts from the International Monetary Fund (IMF) and Japan International Cooperation Agency (JICA). Although these regulations have been constructed within the Cambodian context, the fundamental concepts are kept to be consistent with the International Best Practice, especially with the International Convention on the Simplification and Harmonization of Customs Procedures which is known as the Revised Kyoto Convention.

The purpose of this handbook is not a collection of full text of all laws and regulations related to import and export, instead it is an abstract of those laws and regulations which were converted into simple text for all readers including those who are not familiar with customs terms. Therefore, the compilation of this handbook can be considered as the first publication by the GDCE of this kind in Cambodia.

Simplified customs procedure is generally known as a key measure for trade facilitation which is a common goal for customs administrations around the globe. An effective public awareness program, however, also plays an important role for trade facilitation. The wide publication of this handbook will help all stakeholders to be more familiar with customs clearance related information.

I hope that this handbook will be useful for readers from all backgrounds including researchers, policy experts and especially those traders who are doing or wish to do business in Cambodia.

Director General
General Department of Customs and Excise of Cambodia



Dr. Kun Nhem

Disclaimer

The Handbook on Customs Clearance (hereinafter referred to as the “Handbook”) is presented by the General Department of Customs and Excise (hereinafter referred to as the “GDCE”) in collaboration with Mr. Hiroshi Suzuki, CEO/Chief Economist, Business Research Institute for Cambodia (BRIC) under the Asian Development Bank’s technical assistance framework to Support Trade Facilitation for the Implementation of ASEAN Economic Community (AEC). The main purpose of this handbook is to disseminate information in order to increase public awareness on goods clearance procedures in Cambodia. All the information on the Handbook, however, is merely a collection and summary interpretation of some existing laws and regulations relating to customs clearance processes and does not necessarily reflect the views and policies of the GDCE or the Cambodian Government.

In this regard, the GDCE would like to reaffirm that the Handbook would not be used as any reference for judicial process, and the GDCE will not accept any liability, obligation or responsibility whatsoever for any errors, omissions from, misstatements or misrepresentations which has accidentally occurred during the compilation of this Handbook. In the meantime, the GDCE reserves the right to omit, suspend or edit all information in the Handbook at any time to meet the evolving circumstances without giving any reason or prior notice.

At last, in order to ensure full compliance with existing laws and regulations, the GDCE would like to recommend readers to further verify with the related existing legal documents with number and date as indicated in all parts of the Handbook, before acting upon it.

Acknowledgements

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The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of the ADB or its Board of Governors or the governments they represent.

Abbreviations

ADB	Asian Development Bank
AEC	ASEAN Economic Community
AFTA	ASEAN Free Trade Agreement
AFPs	ASEAN Free Trade Partners
AJCEP	ASEAN-Japan Comprehensive Economic Partnership
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
AT	Additional Tax
ATIGA	ASEAN Trade in Goods Agreement
BTG	Best Trader Group
CAMCONTROL	Cambodia Import-Export Inspection and Fraud Repression Directorate General
CD	Customs Duty
CDC	Council for Development of Cambodia
CED	Customs and Excise Department
CEPT	Common Effective Preferential Tariff
CIB	Cambodia Investment Board
C/O	Certificate of Origin
CPF	Customs Processing Fee
CQ	Certificate of Quantity
CRDB	Cambodia Rehabilitation and Development Board
CRMDS	Customs Risk Management Database System
CTH	Change of Tariff Heading
EBA	Everything But Arms
EBCE	Export Branch of Customs and Excise
EMF	Export Management Fee
EMS	Express Mail Service
ET	Export Tax
EU	European Union
FCL	Full Container Load Cargo
FRC	Final Registration Certificate
FOB	Free On Board
FTA	Free Trade Agreement

GDCE	General Department of Customs and Excise
GDP	Gross Domestic Product
GE	General Exclusion
GSP	Generalized System of Preferences
HS	the Harmonized System (HS) of tariff and nomenclature
ID	Identification
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LCL	Less than Container Load
MEF	Ministry of Economy and Finance
MFN	Most Favored Nation
MOC	Ministry of Commerce
PCA	Post Clearance Audit
PIS	Priority Integration Sector
PIS-NL	Priority Integration Sector – Negative List
PMIS	Provincial-Municipal Investment Sub-committee
PSR	Product Special Rules
QIP	Qualified Investment Project
RCEP	Regional Comprehensive Economic Partnership
ROO	Rules of Origin
RVC	Regional Value Content
SAD	Single Administration Document
SEZ	Special Economic Zone
SPS	Sanitary and Phytosanitary Certificate
ST	Special Tax
TCMS	Trade Credibility Management System
TRS	Tariff Reduction Schedule
USD	United State Dollar
VNM	Value of Non-originating Materials
VAT	Value Added Tax
WCO	World Customs Organization
WTO	World Trade Organization

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GENERAL INFORMATION

1.1. Organization and Role of GDCE

1.1.1. Outline

The Cambodia Customs Administration was first established in 1951 by the Royal Decree No. 661 dated 29 June 1951. The operations of the Cambodia Customs Administration were suspended from 1975 to 1979 during the Khmer Rouge regime. The customs operation was resumed by the Government's Decision to establish Customs and Excise Department (CED) dated 13 July 1979. Sub-decree 06 dated 11 March 1988 transferred the CED from MOC to MEF. The CED was upgraded to the General

Department of Customs and Excise of Cambodia (GDCE) by Sub-decree 134 dated 15 September 2008. The GDCE is a public administration under the Ministry of Economy and Finance.

The mandate of Director of Customs and Excise nominated by the Royal Government of Cambodia which component is as following:

No	Year in Position	Name	Note
1	1952	Mr. EAR Sichov	Business student from France
2	1954	Mr. KEO Mongkry	Business Student from France
3	1956	Mr. UCH Samsem	Chief of Customs and Excise
4	1958	Mr. KOCH San	Chief of Customs and Excise
5	1960	Mr. NHEUK Nou	Royal Palace Officer
6	1962	Mr. CHUM Yaem	Royal Palace Officer
7	1963	Mr. CHHIN Raen	Chief of Customs and Excise
8	1964	Mr. CHUM Yaem	Chief of Customs and Excise

9	1966	Mr. HOU Hong	Royal Palace Officer
10	1968	Mr. CHUM Yaem	Chief of Customs and Excise
11	1970	Mr. SO Khamkhoy	Chief of Customs and Excise
12	1972	Mr. CHUM Yaem	Chief of Customs and Excise
13	1974	Mr. KIM Son	Director of Public Works
14	1975	Mr. KONG Sarin	Chief of Customs and Excise
15	1979 – 1997	Mr. SOR Ho	Chief of Customs and Excise
16	1997 – 1998	Mr. IN Sareoung	Chief of Customs and Excise
17	1998 – 2014	H.E Dr. PEN Siman	Delegation of the Royal Government in charge as Director General of GDCE
18	2014 September – Present	H.E Dr. KUN Nhem	Director General of GDCE

GDCE has become 155th member of WCO (World Customs Organization) on 3rd April 2001 on its 50th anniversary.

1.1.2. Vision

The vision of the GDCE is to become a modern Customs Administration, that meets international standards and best practices and that is recognized both internationally and within Cambodia for its administrative and operational efficiency and high quality of service to stakeholders.

1.1.3. Mission

As a member of the WCO, the mission of the GDCE are to expedite and facilitate 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. In this regard, various strategic objectives and action plans has been and will be created to make its missions successful and fruitful.

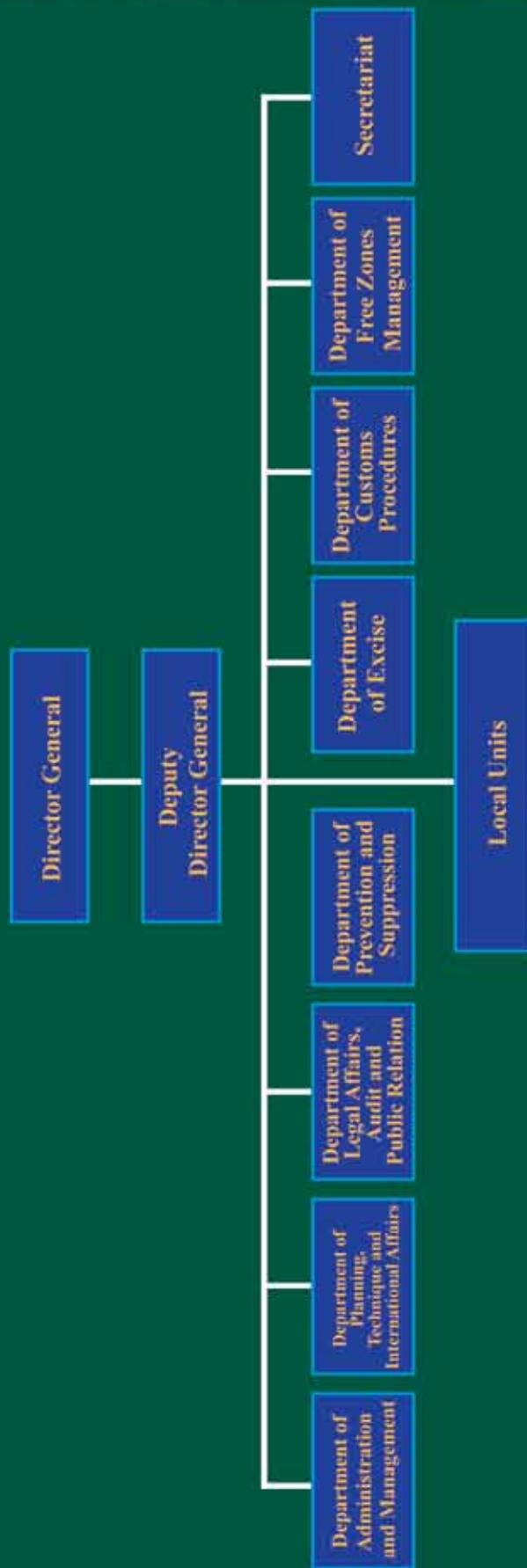
1.1.4. Organization

1.1.4.1. Organization Chart

The GDCE organizational structure and management has been changed after upgrading from Customs and Excise Department to General Department of Customs and Excise of Cambodia, in response to the current international trade developments, and other challenges faced by Customs. The current organizational structure is in line with the General Department's mission, roles, and structure as stipulated in the Sub-decree No. 134 dated 15 September 2008 and Sub-decree No. 152 dated 06 October 2008 on the establishment of Department of Excise, Department of Customs Procedures, and Department of Free Zone Management and restructured based on Sub-decree of the Royal Government of Cambodia No 488 Dated 16 October, 2013.



Organizational Chart of the General Department of Customs and Excise of Cambodia



Reference: Sub-decree of the Royal Government of Cambodia No 488 Dated 16 October, 2013

Administrative organization of GDCE has 7 departments and 1 secretariat at central and other local units as follows:

1 Central Unit

- Secretariat
- Department of Administration and Management
- Department of Planning, Technique and International Affairs
- Department of Prevention and Suppression
- Department of Legal Affairs, Audit and Public Relations
- Department of Customs Procedures
- Department of Excise
- Department of Free Zone Management

2 Local Units

- Export Customs and Excise Branch
- International Airports Customs and Excise Branch
- Post Customs and Excise Branch
- Dry Port Customs and Excise Branch
- Phnom Penh International Port Customs and Excise Branch
- Sihanoukville International Port Customs and Excise Branch
- Municipal /Provincial Customs and Excise Branches

1.1.4.2. Role and Responsibility

Secretariat

- Research, examine, study, report and regularly give advices on important issues to Director General of GDCE;
- Prepare, compile and maintain necessary documents of Director General of GDCE;
- Examine all documents; draft of requests, files or other opinions before submitting to the management of GDCE for approval;

- Prepare and manage internal audit on Customs and Excise Units and perform other missions determined by Director General of GDCE.

Department of Administration and Management

- Prepare, manage customs officers' issues including statistics, compliance, change or transferal of position, promotion, admiration or punishment, and set up policy relating to salary cadre, supporting fees and other leave fees;
- Prepare and organize training for customs officers and as well as officers of relevant ministries and private sectors if necessary;
- Manage the reception and delivery of official documents;
- In charge of other administration tasks including producing report, evaluating work efficiency and issuing nomination and mission letters;
- Control statistics of the use of weapons in the unit;
- Manage duties of GDCE related to finance and accounting issues, participate in determining and examining plan on revenues-expenses and other payments, manage the demands, purchases, distribution and maintenance of equipment and tools and other properties of GDCE;
- Perform other duties determined by the Ministry of Economy and Finance.

Department of Planning, Technique and International Affairs

- Propose reasonable policies related to tax collection procedures, revenue target, and develop master plan and action plans of Customs and Excise Units;
- Develop, research and participate in supervising the implementation of regulations and policies related to customs tariff; customs valuation on export-import goods, evolution on rules

of origin in accordance with the evolution of national economy and international trade including amendment of commodity classification, assessment on the impact of trade facilitations practices, development of methods for analysis and management of customs' laboratories;

- Develop and manage the implementation of the plan for development of customs information system especially automation system on customs procedures as well as gathering and maintaining export-import statistic, managing the utilization and maintenance those systems;
- Investigate and continually amend the customs transaction value list of export-import goods, value of currency and exchange rate in accordance to actual situation as the basis for consideration and decision on work implementation of local customs units;
- Examine and counsel on customs technical aspects especially on customs valuation, origin and commodity classification and participate in auditing on these above issues as well as settlement of other issues;
- Perform duties as the international affairs center related to customs sector as a whole;
- Study and analyze information related to economy and international trade by comparing with data of customs administration of regional and global trading partner countries;
- Cooperate with World Customs Organization, other customs administrations and other organizations which involve in customs sector;
- Coordinate and cooperate with relevant units of ministries, government institutions under the framework of economic cooperation and international trade;
- Participate in supervising and evaluating efficiency of customs operations;
- Perform other duties determined by the Ministry of Economy and Finance.

Department of Prevention and Suppression

- Cooperate in developing policies for investigation and suppression of all kinds of smuggling activities, tax evasion and other violations within customs territory;
- Appoint intelligent network and special forces for prevention and suppression of all customs frauds and other violations;
- Store goods under temporarily detention waiting for final decisions from competent organizations and manage those goods according to specific purpose;
- Nominate operation team for investigation and suppression of smuggling activities by taking action on major targets throughout the country according to the instruction of Director General of GDCE;
- Serve as the center for cooperation, management, collection and compilation of all information related to goods, individual, transportation mean and all kind of violation tricks from the local and international sources and analyzing and assessing the risk of these information to be used for suppression of tax evasion and smuggling and other kinds of violations against other competent institutions of Cambodia and foreign counterparts;
- Perform other duties determined by the Ministry of Economy and Finance.

Department of Legal Affairs, Audit and Public Relations

- Investigate and counsel on the establishment of customs regulations and other regulations related to customs operations;
- Examine the implementation of customs regulations and other regulations related to customs operations and amendment of customs regulations;
- Control and participate in examining the request for establishment of customs bonded warehouse, free zone, customs broker services and similar businesses

and investigate the premise of the businesses and services in compliance with provision of laws and contracts in force;

- Coordinate customs abuses and other disputes by providing opinions in order to provide ruling on customs violations and submit to Director General of GDCE for verification and decision in accordance with provisions of law on customs;
- Examine and assess, on behalf of public relation unit of GDCE, the complaints from private sector in order to balance between efficiency of implantation of laws and regulations in force and facilitation of international trade;
- Establish and examine the implementation of risk management plan in order to determine high risk target;
- Collect, analyze, assess and control information and data from different sources and put into trader credibility management system and risk selectivity criteria management system;
- Supervise the implementation of inter institutional agreement with other government agents in accordance with trade facilitation through risk management policy;
- Develop plan and organize the audit on high risk business premises determined by GDCE;
- Perform other duties determined by the Ministry of Economy and Finance.

Department of Customs Procedures

- Participate in policy preparation for managing investment activities and import-export activities done by non-governmental organizations, embassies, government institutions and other persons with preferential Customs procedures;
- Examine and manage the issuance of import-export permit with preferential Customs procedures determined by the

GDCE and investigate and control the consumption of materials and all kinds of exempted goods under specified purposes;

- Arrange post clearance audit on Customs declaration and attached documents. Make conclusion and take a proper measure if necessary;
- Perform other duties determined by the Ministry of Economy and Finance.
- Department of Customs Procedures leads by a director and have some deputy-directors as assistant.

Department of Excise

- Propose the duty and tax policy, managing production, importation-exportation, distribution and storage of petroleum products and products subject special taxes determined by the Ministry of Economy and Finance;
- Set up master plan and action plan for development of excise sector and trade facilitation through each Customs regime of Customs and Excise administration;
- Manage, control import-export clearance, the collection of duties and taxes, distribution, transportation, movement and storage of petroleum products throughout the country including warehouses or business premises;
- Manage process of the business premises producing goods bearing special taxes, duty-free shops, postal package clearance determined by the Ministry of Economy and Finance and as well as cooperate with other competent institutions in order to investigate and suppress Customs frauds related to these business operations;
- Perform other duties determined by the Ministry of Economy and Finance.
- Department of Excise leads by a director and have some deputy-directors as assistant.

Department of Free Zone Management

- Participate in policy preparation for managing the functioning of free zones in the Kingdom of Cambodia especially all Special Economic Zones in accordance with existing laws and regulations, internationally best practices and Kyoto Convention on the Simplification and Harmonization of Customs Procedures in order to assure the smoothness and quickness of the import-export clearance of goods out of and into the zones;
- Participate with Cambodian Special Economic Zones Board in examining request for import of equipment, materials and other goods for construction of infrastructure of zone developer;
- Coordinate for effective participation of competent Customs officers to work permanently with Special Economic Zone Administration in examining and approving on the spot the incentives on import of production equipment, construction materials and other production inputs of investor in the zone;
- Manage, examine and verify the compliance in implementing duties and tasks of the zone developer and investors during the construction of infrastructure and production premise, and conducting business;
- Manage and lead directly on the Customs and Excise offices to Free Zone or to Special Economic Zone;
- Perform other duties determined by the Ministry of Economy and Finance.
- Department of Free Zone Management leads by a director and have some deputy-directors as assistant.

1.2. Outline of Law on Customs

1.2.1. General Provision

1.2.1.1. Purpose

The purposes of Law on Customs are to:

- Provide the right for the administration, control and collection of duties, taxes and fees on imported and exported goods,
- Provide for the control and regulation of the movement, storage and transit of such goods,
- Promote the prevention and suppression of fraud and smuggling,
- Participate in implementing the international trade policy of the Royal Government of Cambodia,
- Promote the application of international standards and best practices regarding customs control and trade facilitation.

The Customs and Excise Department is responsible for the administration and enforcement of the provisions of this Law. The General Department operates under the direct supervision of the Ministry of Economy and Finance (Article 1).

1.2.1.2. Customs Territory and Customs Zone

The Customs Territory includes the land territory, territorial waters and airspace as well as offshore islands of the KINGDOM OF CAMBODIA. The Royal Government of Cambodia may establish Free Zones that are excluded from all or part of the customs procedures.

This Law must be applied:

- Equally throughout the customs territory;
- Equally to all persons; and
- Without any immunity or dispensation to goods imported or exported by the state or on its behalf (Article 3)

All imported and exported goods are subject to the provisions of this law. Goods entering or leaving the customs territory are subject, as applicable, to import duties and taxes or export duties and taxes as specified in the Customs Tariff. The establishment and application of the Customs Tariff shall be prescribed by Sub-Decree (Article 5).

1.2.1.3. Protectionism Measures

The Royal Government may by Sub-Decree take measures to protect Cambodian producers by raising tariffs when domestic producers are injured by an increase in imports, by subsidies provided by other governments to their countries' exports to Cambodia, or by goods that are dumped on Cambodia's markets (Article 7).

1.2.1.4. Restriction and Prohibition

The Royal Government may by Sub-Decree prohibit or restrict, subject to conditions, the import or export of certain goods for any of the following purposes (Article 8):

- National security;
- Public order and standards of decency and morality;
- The protection of health and life of persons, animals or plants;
- 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;
- The fulfillment of obligations under the Charter of the United Nations.

To combat smuggling and fraud, the Minister of Economy and Finance may by Prakas identify certain sensitive or highly taxed goods as specially designated goods for the purposes of this Law, and may impose additional controls and restrictions on their transport, circulation, storage and possession.

1.2.2. Import

All imported goods must be reported at a Customs office or other location as determined by the Director of Customs. The Minister of Economy and Finance may by Prakas determine the time, manner, documentation requirements, circumstances and exceptions with respect to the reporting of imported goods (Article 10).

No person shall unload goods from a conveyance

arriving in Cambodia until the goods have been reported to Customs in accordance with this Law (Article 12).

Customs may authorize the removal of the goods referred to in Article 10 from the customs clearance area prior to the payment of duties and taxes and fees, under customs control and after the fulfillment of customs formalities, for the

purposes of:

- Placing in customs temporary storage;
- Placing in customs bonded warehouse;
- Further transportation within or through the Customs Territory to a destination (Article 13)

Imported goods may be released by Customs for temporary admission if at the time of importation it can be demonstrated that these goods will be re-exported. Temporarily imported goods shall be under customs control until such time as the conditions of their temporary admission have been fulfilled (Article 15).

1.2.3. Export

All goods to be exported must be reported at a Customs office or other location as determined by the Director of Customs. The Minister of Economy and Finance may by Prakas determine the time, manner, documentation requirements, circumstances and exceptions with respect to the reporting, movement, storage and transportation of goods to be exported (Article 16).

1.2.4. Tariff Classification, Origin and Customs Valuation

Tariff classification, origin and customs value of imported goods specified on customs declarations, shall be declared in accordance with the following rules (Article 18).

- Any person, importer or his agent, who completes a customs declaration of imported goods, shall declare the tariff classification, origin of those goods and customs value for the calculation and assessment of duty and tax. Customs shall verify the tariff classification and origin of the imported goods.
- Any person, importer or his agent is responsible for declaration of the accurate customs value for the payment of duties and taxes and must disclose

all information on import transaction, invoices and other documentation to enable Customs to verify and accurately determine the customs value of the imported goods.

- Customs may, within 3 years of the date of registration of any customs declaration, following an audit, investigation, inspection or examination of the imported goods, re-determine the declared tariff classification or origin by issuing a Notice.
- When an audit, investigation, inspection or examination undertaken under this Article finds any fraudulent activity, a Notice may be issued for the goods under investigation within a period no longer than 10 years from the original date of registration of the customs declaration.
- All additional duties and taxes and any other fees and penalties owed as a consequence of the Notice, shall be paid to Customs.
- Any refund of duties, taxes, fees and penalties overpaid by any person, importer or his agent as a consequence of the Notice shall be refunded by Customs.

For the purposes of import and export, goods are classified and, unless otherwise exempted by this Law or any other Law of the Kingdom of Cambodia, duty and tax are calculated in accordance with the Customs Tariff (Article 19).

For imports, applicable duties and taxes are collected according to the origin of the goods. The origin of natural products is the country where they were extracted from the soil or harvested. Goods manufactured in a single country, with no contribution from materials from another country, originate in the country where they are manufactured. The country of provenance is the country from which the goods were sent directly to the customs territory (Article 20).

The customs value of imported goods shall be determined in accordance with the following rules (Article 21):

- a. The customs value of imported goods shall be the transaction value. That is, the price actually paid or payable for goods when sold for export to Cambodia, subject to the provisions contained in Prakas issued under sub-paragraph (h) of this Article.
- b. If the customs value of the imported goods cannot be determined under the provision of sub-paragraph (a) of this Article, the customs value shall be the transaction value of identical goods.
- c. If the customs value of imported goods cannot be determined under the provisions of sub-paragraph (a) and sub-paragraph (b) of this Article, the customs value shall be the transaction value of similar goods.
- d. If the customs value of imported goods cannot be determined under the provisions of sub-paragraph (a), sub-paragraph (b), and sub-paragraph (c) of this Article, the customs value of the imported goods shall be based on a deductive method.
- e. If the customs value of imported goods cannot be determined under the provisions of sub-paragraph (a), sub-paragraph (b), sub-paragraph (c), and sub-paragraph (d) of this Article, the customs value of imported goods shall be based on a computed method.
- f. The order of application of sub-paragraph (d) and sub-paragraph (e) of this Article may be reversed at the request of the importer.
- g. If the customs value of the imported goods cannot be based on the provisions of sub-paragraph (a) sub-paragraph (b) sub-paragraph (c) sub-paragraph (d) and sub-paragraph (e) of this Article, the customs value shall be determined by using reasonable means consistent with the principles and the provisions as referred to in subparagraphs (a) (b) (c) (d) and (e) of this Article on the basis of available data in the Customs Territory subject to certain limitations.
- h. The Minister of Economy and Finance shall issue a Prakas to determine all matters related to the determination of customs value.

The customs value of exported goods shall be the value of the goods at the point of exit, which is determined by adding to the price of the goods, expenses for transport as well as all expenses needed to carry out the export operation up to the frontier, excluding export taxes payable upon exit, domestic taxes and similar levies, for which the exporter has been given a receipt (Article 22).

1.2.5. Exemptions, Partial Exemptions, and Refund of Duties and Taxes

Import duties and taxes shall not be imposed on goods brought into the Customs Territory for transit or transshipment (Article 25).

Exemption of Import Duties and Taxes shall be granted with respect to the import of goods exempted under the provisions of any other Law of Cambodia, goods for foreign diplomatic or consular missions, international organizations

and agencies of technical co-operation of other governments, etc. (Article 26).

Partial exemption of import duties and taxes may be granted with respect to the import of Seeds and breeding animals for agriculture, goods for temporary admission, Goods and materials so specified under any other Law of Cambodia, etc. (Article 27).

1.2.6. Customs Declaration

All imported or exported goods, whether or not exempt from duties and taxes, must be the subject of a Customs declaration (Article 29). Imported or exported goods must be declared by their owners or by persons authorized to act on the owners' behalf (Article 31).

Any person may, without exercising the profession of customs broker, make customs declarations for their own business (Article 33).

The importer or owner of the goods shall be liable for import duties and taxes (Article 35).

In the case of customs temporary storage or customs bonded warehouse storage, the operators are liable for import duties and taxes and other fees (Article 35).

1.2.7. Customs Temporary Storage and Customs Bonded Warehouses

Customs temporary storage refers to the storage of goods under customs control in approved premises pending the completion of customs formalities. Licenses for the operation of a customs temporary storage facility are approved by the Minister of Economy and Finance (Article 43).

Customs bonded warehouses are facilities where goods may be placed for a specified period of time under customs control. Placing goods in customs bonded warehouses suspends the application of the duties, taxes and restrictions for which they are liable. There are three categories of customs bonded warehouses:

- a. Public warehouses, which are licensed by the Minister of Economy and Finance, may be operated by any agency of the Royal

Government, or by any person. Public warehouses are open to any person who has the right to store the goods in the warehouse.

- b. Private warehouses, which are licensed by the Director of Customs, are to be used solely by specified persons to store goods for their own specific uses, including operators of duty free shops.
- c. Special warehouses, which are licensed by the Director of Customs, are a type of warehouse for goods which may present a hazard, or could affect the quality of other goods, or could require special storage facilities;

Licenses for customs bonded warehouses will determine conditions for owners and operators including location, construction and layout of premises, and procedures for the control and handling of goods (Article 44).

Goods may remain in customs bonded warehouses for up to two (2) years from the date of registration (Article 46).

In certain circumstances, the MEF may authorize the establishment of customs manufacturing bonded warehouses, for the purpose of

processing or manufacturing of goods. Goods accepted in customs manufacturing bonded warehouses are exempt from import duties and taxes (Article 49).

Operations that carry out the processing or refining of crude petroleum or bituminous minerals to obtain petroleum products must be placed under the customs manufacturing bonded warehouse regime (Article 50).

1.3. Duty and Taxes

1.3.1. Normal Treatment

Duties and taxes are levied on any imported and exported goods before releasing them from Customs; except goods qualifying for special privilege according to the laws and regulations,

whereby their duties and taxes are exempted.

There are different types of duties and taxes collected by Customs.

No	Types of Duties and Taxes	Rate
I. Importation		
1	Customs Duties (CD)	0%, 7%, 15%, 35%
2	Special Tax (ST)	0%, 4.35%, 5%, 10%, 15%, 20%, 25%, 30%, 45%, 50%
3	Additional Tax (AT)	0.02\$/Liter on gasoline, 0.04\$/Liter on Diesel Fuel
4	Value Added Tax (VAT)	10% flat rate
II. Exportation		
1	Export Tax (ET)	0%, 5%, 10%, 15%, 20%, 50%

Source: Customs Tariff Book 2012, 3rd edition issued on January 2015

1.3.2. Preferential Treatment

Treatments	Conducted
<p>ASEAN Trade in Goods Agreement (ATIGA)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> • Royal degree No 08/09.017 dated August 29, 2009 • Prakas 288 MEF dated 31 March 2011 on promulgating the schedule of the Kingdom of Cambodia for Reduction/ Elimination of Imports Duties under ASEAN Trade in Goods Agreement <p>Under preferential treatment, Cambodia shall implement the ASEAN Trade in Goods Agreement (ATIGA) by 2015. In this context, Cambodia has implemented tariff reduction since 2009 and shall eliminate import duties on all products by 2015 with flexibility to 2018 by the following schedule:</p> <ul style="list-style-type: none"> - Import duties, at least 80% of tariff lines, are equal to or less than 5% by 1st January 2009, - Import duties on ICT products shall be eliminated by 1st January 2010, - Import duties on unprocessed agricultural products in High Sensitive List shall have their respective applied MFN rate, - Import duties on priority integration sector (PIS) shall be eliminated to 0% in 2012, - Import duties on Priority Integration Sector Negative-List PIS-NL shall be eliminated to 0% in 2015, - Import duties on unprocessed agricultural products in Sensitive List shall be reduced or eliminated to zero or five percent (0-5%) by 2017, - Cambodia shall maintain 7% of the total tariff lines or 662 tariff lines in 5% until 2018.
<p>ASEAN-China Free Trade Agreement (ACFTA)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> • Royal degree No 1207/033 dated December 08, 2007 • Prakas No 645 MEF dated 22 August 2008 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. <p><u>Normal Track</u></p> <ul style="list-style-type: none"> - 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. <p><u>Sensitive Track</u></p> <ul style="list-style-type: none"> - Cambodia shall be subsequently reduced to 500 tariff lines at the HS 6-digit level to 0-5% not later than January 1st 2020. <p><u>Highly Sensitive List</u></p> <ul style="list-style-type: none"> - 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.

Treatments	Conducted
<p>ASEAN-Korea Free Trade Agreement (AKFTA)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> Royal degree No 1207/034 dated December 08, 2007 Prakas No 613 MEF dated 13 August 2008 on promulgating the schedule of the Kingdom of Cambodia for the Framework Agreement on Comprehensive Economic Co-operation between Asean and the Republics of Korea. <p><u>Normal Track</u></p> <ul style="list-style-type: none"> Cambodia shall reduce its tariff rate at least 50% of the tariff lines placed in the Normal Track to 0-5% not later than January 2015 and 90% of tariff lines shall eliminate not later than January 2017, and all tariff lines shall eliminate not later than January 2018 with flexibility to not later than 2020. <p><u>Sensitive Track</u></p> <ul style="list-style-type: none"> Cambodia shall reduce the applied MFN rates of tariff lines placed in Sensitive Lists to 20% not later than 1 January 2020. These tariff rates shall be subsequently reduced to 0-5% not later than 1 January 2024. <p><u>Highly Sensitive Track</u></p> <ul style="list-style-type: none"> Cambodia shall reduce the applied MFN tariff rates of tariff lines placed in Highly Sensitive List not more than 50 % not later than 1 January 2024.
<p>ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> Royal degree No 1009/019 dated September 22 2009 Prakas 1376 MEF dated 30 December 2009 on promulgating the schedule of the Kingdom of Cambodia for the Agreement on Comprehensive Economic Partnership Amongst member states of Asean and Japan. <p><u>Normal Track I</u></p> <ul style="list-style-type: none"> The tariffs rates shall reduce to 0% from the Agreement enter into force. <p><u>Normal Track II</u></p> <ul style="list-style-type: none"> 40% of tariffs lines shall reduce to 5% by 2020 and 90% shall eliminate by 2023, and 100% shall eliminate by 2026. <p><u>Highly Sensitive or Category C</u></p> <ul style="list-style-type: none"> Cambodia shall place 4% of tariffs lines in Category C <p><u>Sensitive Track or Category R</u></p> <ul style="list-style-type: none"> Cambodia shall place 8% of tariff lines in Category R. <p><u>Exclusion List or Category X</u></p> <ul style="list-style-type: none"> Cambodia shall place 3% of tariff line in Exclusion List.

Treatments	Conducted
<p>Asean-Australia and New Zealand Free Trade Agreement (AANZFTA)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> Royal degree No 1010/016 dated September 29 2010 Prakas 1199 MEF dated 29 December 2010 on promulgating the schedule of the Kingdom of Cambodia under the Agreement to establish Free Trade Agreement Amongst member states of Asean and Australia and New-Zealand <p><u>Normal Track I and II</u></p> <ul style="list-style-type: none"> 88% of tariff lines shall reduce in 2021, and 2024 for normal track II. <p><u>Sensitive Track</u></p> <ul style="list-style-type: none"> 7% of tariff line shall reduce to 5% in 2025. <p><u>Highly Sensitive</u></p> <ul style="list-style-type: none"> Cambodia shall place 3.45% of tariff line base on MFN rate <p><u>Exclusion List</u></p> <ul style="list-style-type: none"> Cambodia shall place 1.50% of tariff line exclude from the schedule.
<p>ASEAN-India Free Trade Agreement (AIFTA)</p>	<p>Reference Regulations</p> <ul style="list-style-type: none"> Royal degree No 0211/004 dated February 09 2011 Prakas 389 MEF dated 15 June 2011 on promulgating the schedule of the Kingdom of Cambodia for the Agreement established Free Trade Agreement Amongst Member State of Asean and India. <p><u>Normal Track 1</u></p> <ul style="list-style-type: none"> Tariff rates shall reduce or eliminate from 1st January 2010 to 31 December 2018. <p><u>Normal Track 2</u></p> <ul style="list-style-type: none"> Tariff rates shall reduce or eliminate from 1st January 2009 to 31 December 2021. <p><u>Sensitive List</u></p> <ul style="list-style-type: none"> Tariff rates shall reduce or eliminate from 1st January 2009 to 31 December 2021. <p><u>Special Products</u></p> <ul style="list-style-type: none"> Such as Palm Oil, Coffee, Black Tea, and Pepper The period to reduce is from Jan 01, 2009 to Dec 31, 2018 <p><u>Highly Sensitive</u></p> <ul style="list-style-type: none"> The goods in this category such as rooted orchid cuttings and slips, aquarium plants, Coconut in shelled or shelled etc., shall reduce 50% of Ad valorem. <p><u>Vehicle:</u></p> <ul style="list-style-type: none"> Base rate is 35%. Cambodia has committed to reduce to 25% in 2012, continue to reduce to 22.5% in 2013, 20% in 2014, 17.5% in 2015, 15% in 2016, 10% in 2017, 0% in 2018.

Treatments	Conducted
<p style="text-align: center;">Regional Comprehensive Economic Partnership (RCEP)</p>	<ul style="list-style-type: none"> • The Regional Comprehensive Economic Partnership (RCEP) is a FTA negotiation that has been developed among 16 countries: the 10 members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam) and the six countries with which ASEAN has existing Free Trade Agreements (FTAs) – Australia, China, India, Japan, Korea, and New Zealand. In relation to RCEP these six non-ASEAN countries are known as the ASEAN Free Trade Partners (AFPs). • Following a preparatory process, the participating countries began formal negotiations in May 2013. RCEP will cover trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement/legal and institutional issues and other issues to be identified during the course of negotiations.



CUSTOMS PROCEDURES

2.1. General Procedures

2.1.1. *Customs Declaration*

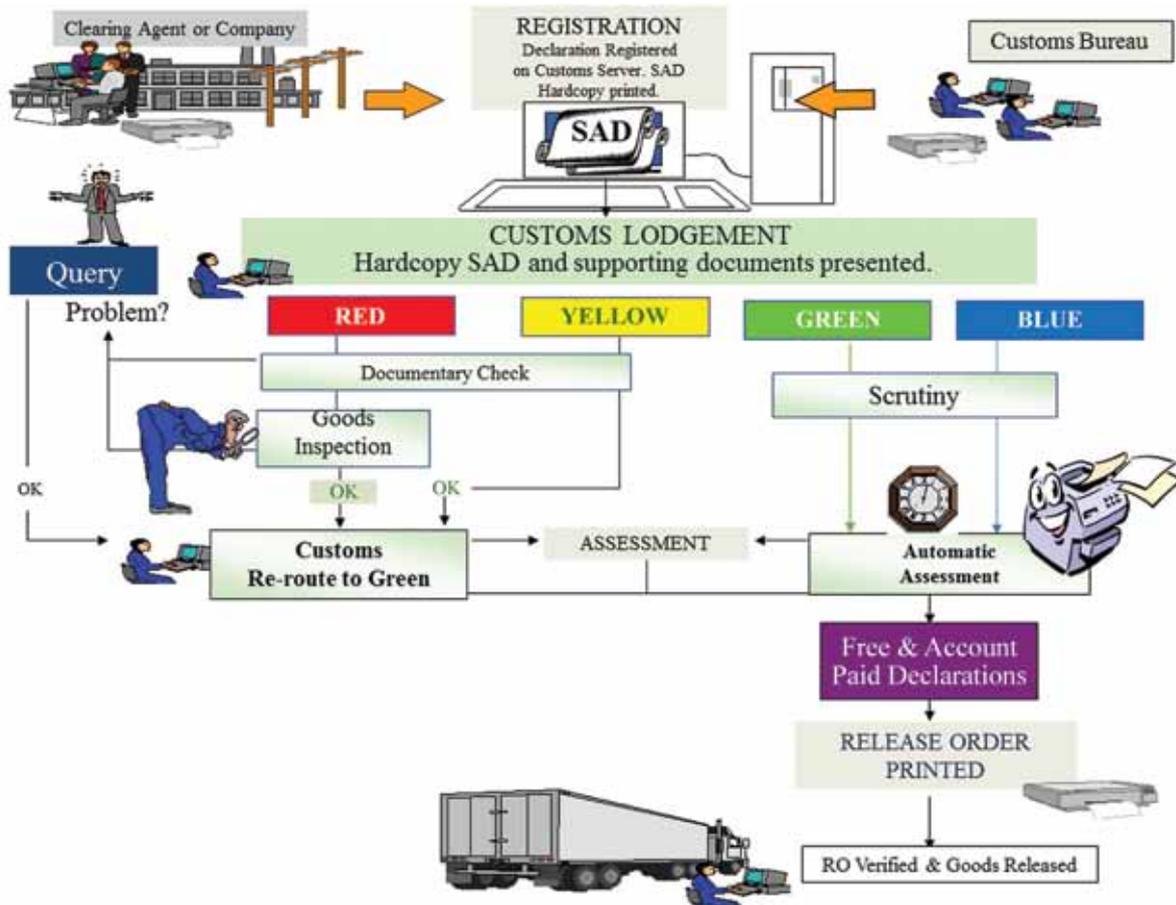
Reference regulations

- Prakas No. 1447 MEF dated 26 December 2007, Ministry of Economy and Finance, on Provisions and Procedures on Customs Declaration.
- Instruction NO.1308 GDCE dated 24 November 2009 on Detail Procedures and Responsibilities in Functioning Customs Declaration (Single Administrative Documents-SAD) through electronic mean.

2.1.1.1. Procedures of Customs Declaration in ASYCUDA

The Electronic lodgment of Customs Declaration (Single Administration Document-SAD) through new automated customs processing system

called Automated System on Customs Data (ASYCUDA) follows the Processes in diagram of ASYCUDA below.



The general procedures to be followed by importers, exporters and their representatives for the electronic submission of customs declarations are described below:

1: Preparation and Printing of Customs Declaration

The Customs Broker/Declarant inputs information of SAD directly into the ASYCUDA. The computer checks and verifies the customs declaration with reference documents in the system, and performs some examinations. The system will allow registration of customs declaration when information is completed and valid. Registered customs declarations can be cancelled with authorization from the GDCE. Only registered customs declaration is considered as legal document.

After registration, the Customs Broker/Declarant shall print and sign two (2) copies of SAD attached with all required documents and submit to competent Customs officer.

The system will automatically inform the Customs Brokers/Declarant about the situation of the customs declaration process.

2: Lodgment of the Customs Declaration

The customs officer in charge of face vetting examines hard copies of registered SAD and attached documents with information in the system to ensure that the SAD is properly filled, clear and legible and signed by the Customs Broker/Declarant, and all required documents are submitted together with the hardcopy registered SAD.

The customs officer may reject any SAD which does not fulfill the above requirements.

3. SAD Processing Lanes

When the SAD is completely and satisfactorily checked, the customs officer assesses the SAD by using the system. By using risk management criteria, the system will assign the Processing Lane for the Declaration as below:

- **RED Lane:** The SAD must be scrutinized (checked against documents). Goods are subject to physical inspection before re-routing the SAD to GREEN Lane and assessment by Customs.
- **YELLOW Lane:** The SAD must be scrutinized (checked against the documents) before re-routing to GREEN Lane and assessment by Customs.
- **GREEN Lane:** The SAD is automatically assessed and a clearance document issued. The hardcopy SAD may be subject to Post-Clearance Audit (PCA).
- **BLUE Lane:** The SAD is provided the same treatment as for GREEN Lane and with specific reasons subject to Post-Clearance Audit.

If customs declaration is under Red or Yellow Lane, customs officer shall verify the selectivity criteria that caused the declaration to be set in these lanes. The system will show special requirements such as requirement for import license, withdrawal of sample and history of smuggling etc.

4. Query Desk

If there are some errors in data entry or irregularities found during physical examinations, SAD will be routed to the Customs Query Desk. Customs Broker/Declarant will be notified that the SAD status has changed to “query” and the reasons for the query.

Upon receiving the notification, Customs Broker/Declarant shall go to the Customs Query Desk. If any amendments to SAD are required, customs

officer in charge of Query Desk will discuss with Broker/Declarant. If agreement is not reached, the customs officer will prepare a report or record to GDCE for further action.

When the above action is fulfilled and agreement is reached, customs officer shall sign on SAD and update the Inspection Act Form based on the results of inspection and settlement at query desk or upon the decision of GDCE. Then SAD will be re-routed to GREEN Lane.

5. Container Scanning

Container scanning is done independently of SAD processing. The system will be available in the Scanning Office enabling the scanning officer to compare the goods declared on the SAD with those found on the scanning image/scanning information.

Any irregularity found should be recorded in the Inspection Act Form by Customs.

6. Assessment Notice

When the SAD is assessed by the ASYCUDA, the system will inform the amount of duties, taxes and fees to be paid. The notice of assessment will be used as a reference document for payment of duties, taxes and fees.

7. Accounting

Duties, taxes and fees 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 and the system will issue a Customs receipt in return.

8. Release of Goods

After payment of duties, taxes and fees Customs will issue the Cargo Release Note, which details the amount of duties, taxes and fees related to the declaration. This note is used to authorize release of the cargo from Customs.

9. Post Clearance Audit (PCA)

SADs processed under Blue and Green Lane are subject to Post-Clearance Audit.

2.1.1.2. Authorized User for SAD process

- Legal person or company with Value Added Tax certificate
- Owner of the goods or representatives
- Customs broker recognized by Customs
- Legally authorized Employee of the company

2.1.1.3. Required Documents for Customs Declaration

Documents to be attached with SAD:

- Invoice and Packing list
- Transportation documents (Bill of Lading/Airway Bill/Truck Bill)

If necessary

- Manifests
- Licenses
- Permit
- Certificate of Origin
- Insurance Premium and
- other related documents

2.1.1.4. Responsibility of Customs Broker/Declarant in Customs Declaration

Customs Broker/Declarant shall perform the following responsibilities:

- Declarant shall input data on Customs declaration including valuation note until registration
- When finish inputting data on Customs declaration, declarant shall verify and then register Customs declaration if there

is no mistake or after the correction of mistake. After registration ASYCUDA will provide registration number and date automatically.

- Declarant shall print 2 copies of the registered Customs declaration and valuation note (in case necessary) in A4 size paper (Note: Customs declaration can be printed after registration).
- Registered Customs declaration attached with necessary documents shall be submitted to Customs officer in charge face vetting. Declarant shall sign on Customs declaration in front of Customs officer.
- In case Customs officer in charge face vetting does not accept Customs declaration, declarant shall contact query desk official.
- If there is official in charge of manifest, declarant shall bring the copy of Customs declaration to Customs officer in charge of manifest in order to write off goods in Customs declaration from manifest.
- If scan is required, declarant shall bring the copy of Customs declaration to Customs unit in charge of scanning the container.
- If physical inspection is required, declarant shall contact chief examiner for inspecting the cargo.
- If additional information is need by Customs officer, declarant shall go to query desk.
- If payment is made via banking system, declarant shall provide bank receipt to Customs officer in charge of accounting in order to certify the payment in ASYCUDA.
- If payment is made on cash/check, declarant shall provide cash/check to Customs officer in charge of accounting in order to certify the payment in ASYCUDA.
- After payment of duties and taxes or in case goods are declared under advance payment, declarant shall receive Customs

receipt from cashier and then Customs receipt on vehicle (if exist) and cargo release note of Chief of accounting.

- Declarant shall take transportation note from Customs officer in charge of warehouse or Customs area and then take the cargo out.

- In case there is an approval and permission to totally or partially return duties and taxes, declarant shall bring necessary documents including decision of the competent authority, Customs declaration, Customs receipt, Bill...etc. to accountant and cashier in order to certify the return of duties and taxes in ASYCUDA.

2.1.2. Import

2.1.2.1. Sea/River

Importation of goods via Sea/River way shall be implemented through different steps such as ship formalities, cargo warehousing, customs declaration process and inspection.

Reference Regulations:

- Sub-decree No. 64 ANKr.BK dated 9 July 2001 on the determination and management of inspection office of international gate, International border gate, bilateral border gate, border area gate, and sea port gate in over the country of Kingdom of Cambodia.
- Prakas No. 572 MEF dated 19 August 2010 on the report of goods when arrive in the customs territory of Kingdom of Cambodia
- Letter No. 01BB dated 01 April 2002 of the Preah Sihanoukville Municipal on the internal regulation of the inspection office of Sihanoukville International Autonomous Port

a. Ship Formalities

Procedures for ship formality are as follows:

1. At the time the ship arrive to customs territory, cruise officer shall priorly inform customs officer in charge of ship formality.

2. When ship already berthing in the port, customs officer in charge of ship formality and other relevant competent officers such as officer of autonomous port, immigrant police, quarantine officer, cruise officer, representative of transport company enter the ship and conduct the formalities.
3. Documents to be submitted by the crew master to relevant officers are:
 - Ship Report
 - Cargo Manifest
 - List of Crew Personal Effect
 - Crew List
 - Discharge List
 - Passenger List
 - Bill of Lading
 - Ship rental contract
 - Ship registration certificate and other documents according to necessary case required by customs administration in order to implement customs measures.
4. After verification and if there is no irregularity, customs officer finalize the formalities and record the date, sign and stamp on manifest. Then, send it to manifest management section.

b. Warehousing

Reference Regulations

- Prakas No. 109 MEF dated 15 February 2008 on the management of unclaimed goods
- Prakas No. 106 MEF dated 15 February 2008 on the customs temporary storage

Customs temporary storage:

1. Less than container load (LCL) and Non-containerized cargo (to be placed temporary store):

- Competent customs officer receives the request for placing goods into temporary store and record in the inventory control list.
- At the time customs broker completed customs declaration and come to take goods, customs officer in charge of temporary store write off those goods from inventory control list and issue two (2) sets of Cargo release note. One (1) set is kept at customs and another set is provided to customs broker for discharging goods from temporary store.

2. Full container load (FCL) Cargo:

- After fulfillment of ship formalities, competent customs officer receives a set of cargo manifest for recording in the containerized cargo list.
- At the time customs broker completed customs declaration and come to take cargo container, the customs officer write off those goods from containerized cargo list and issue transportation permit if goods are loaded in more than one (1) container by clearly stating date of release, plate number of truck, destination and duration of transportation to the destination.

3. Duration of Storage:

- Authorised maximum duration of storage is 45 days (forty five days) from the arrival date.
- Over the above duration, goods shall be placed in customs warehouse and owner must pay customs storage fee of 0.1% of Customs value per day.
- Goods, which are not removed from the temporary store within 3 months from arrival date, shall be considered unclaimed goods.

c. Customs Clearance Procedures

Every physical or legal person importing goods through each Sea/River checkpoint shall lodge import customs declaration attaching with original supporting documents and submit them to competent customs officer at each checkpoint.

For customs declaration process, please see point 2.1.1. above

d. Scanning

Reference Regulations

- Letter No. 437 CED dated 20 May 2002, official operation of TC-Scan station at Sihanoukville international port
- Letter No. 823 CED dated 12 November 2003, additional instruction and amending types of container to be under TC Scan at Sihanoukville international port
- Letter No. 1358 GDCE dated 23 December 2013, more facilitation for investors in SEZ
- Prakas No. 316 MEF dated 19 March 2014, on the amendment of fee on inspection of goods by scanning machine.
- Letter No. 790 GDCE dated 13 June 2014, offering treatment to promote traders from 8 companies those are members of Best Traders.
- Letter No. 1489 GDCE dated 21 July 2014, investigation of compliancy of Best Trader Group

- Letter No. 1867 GDCE dated 12 September 2014, improvement of efficiency on implementation of customs procedures at dry ports

Container that has to go through the scanning machine must be implemented as following:

1. For cargo clearance at entry office

All containerized cargo are subject to scanning process, except for:

- Goods of embassy or organization that has diplomatic immunity, international organization, all non-government organizations officially recognized by government.
- Grant aid goods, donation goods and import 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
- Other goods with permission from the Ministry of Economy and Finance.

2. For national transit cargo

- Dry port operators can choose scanning machine at Sea/River Port or at any Dry Port Customs and Excise Office
- Cargo transited to SEZ are exempted from scanning process

3. Scanning Fee is as following:

- USD32 (thirty two) for container with size from 40 feets up
- USD20 (twenty) for container with size below 40 feets

2.1.2.2. Air

Reference Regulations

- Prakas No. 106 MEF dated 15 February 2008 on the customs temporary storage

- Prakas No.109 MEF dated 15 February 2008 on the management of unclaimed goods.

- Prakas No.1447 MEF dated 26 December 2007 on Customs Declaration Provisions and Procedures

a. Aircraft Formalities

- Aircrafts departing and arriving Cambodia must notify to the competent authority of the State Secretariat of Civil Aviation of the Kingdom of Cambodia.
- When flying in Cambodia's airspace, aircrafts are not allowed to unload goods at location other than the designated route; except in the case where there is a possibility of accident which must be notified immediately to the nearest customs authority.
- The loading and unloading of the passengers' goods must be approved and inspected by customs officer.
- The crew or the aircraft representative must provide a cooperative assistance to the customs officer during the inspection of the aircraft by customs officer.
- In the case where the aircraft makes an unexpected landing due to accident or in order to avoid accident on an airfield without customs officer, the crew or the aircraft representative must notify the authority on the ground in order to do the inspection instead of the customs officer.

b. Warehousing

Imported goods through any international airport will be stored at Customs Temporary Storage under the control of customs. Then wait to fill customs clearance procedures before releasing for home use or placing in other customs procedures.

- Authorized maximum duration of storage is 30 days (thirty days) from the arrival date.

- Over the above duration, goods shall be placed in customs warehouse and owner must pay customs storage fee of 0.1% of Customs value per day.
- Goods, which are not removed from the temporary store within 3 months from arrival date, shall be considered unclaimed goods.

c. Customs Clearance Procedure

Every physical or legal person who import goods through each international airport shall lodge import customs declaration attaching with original attaching document and submit them to competent customs officer at each international airport. **For customs declaration process, please see point 2.1.1. above**

2.1.2.3. Land

Reference Regulations

- Letter No. 1735.MEF dated 30 March 2006, Ministry of Economy and Finance, on formalities for the management of containerized goods imported to Cambodia via international sea port of neighboring countries of Cambodia through Customs transit procedures of those countries Prakas No.1447MEF dated 26 December 2007 on Regulation and Legislative customs procedures
- Prakas No. 572 dated 19 August 2010 on reporting of goods at the time of arrival at customs territory of Kingdom of Cambodia.

a. Customs Formality Prior to the lodgment of goods declaration

Importers/authorized person shall report to customs administration before introduction of goods into Cambodia customs territory.

b. Customs Clearance Procedures

Every physical or legal person who import goods through each checkpoint shall lodge import customs declaration with attached with original appendix document and submitted to competent customs officer at each checkpoint. **For customs declaration process, please see point 2.1.1. above**

c. Container Scanning

Reference Regulations:

- Prakas No. 316 MEF dated 19 March 2014 on the amendment of fee on inspection of goods by scanning machine.
- Letter No. 790 GDCE dated 13 June 2014 on the offering treatment to promote traders from 8 companies those are members of Best Traders.
- Letter No. 1868 GDCE dated 12 September 2014 on the strengthening efficiency of the usage of the scanning machine at Bavet Customs and Excise Branch

1. For cargo clearance at entry office

All containerized cargo are subject to scanning process, except:

- 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
- Other goods with permission from the Ministry of Economy and Finance.

2. For national transit cargo

- Dry port operators can choose scanning machine at Sea/River Port or at any Dry Port Customs and Excise Office

- Cargo transitted to SEZ are exempted from scanning process

3. Scanning Fee is as following:

- USD32 (thirty two) for container with size from 40 feets up
- USD20 (twenty) for container with size below 40 feets

Note:

1. Containerized cargos which are exempted from scanning process and scanning free may be changed upon the requirement from GDCE.

2. importation of containerized goods into Cambodia via land transportation mean by using sea ports of neighboring countries of Cambodia under customs transit procedure of those countries shall implement the following procedures (letter 1735 MEF) ÷

- Require all goods imported into the Kingdom of Cambodia through Customs transit procedures of neighboring countries to be loaded in containers and attached with bill of lading, and prohibit the partition of goods out of the containers in small separate quantities before completing Customs clearance for importation into of the Kingdom of Cambodia.
- For goods specified above and which continues to be imported into the Kingdom of Cambodia in small separate quantities out of such container, there shall be prior approval from GDCE in order to examine and decide on each actual case.

2.1.3. Export

2.1.3.1. Sea/River

a. Customs Clearance Procedures

The process of customs clearance procedures at Sea/River Port and Customs and Excise office:

4. Exporter or authorized person shall request to Chief of Sea/River Customs and Excise office the permission for export goods.

5. Chief of Sea/River Customs and Excise office checks request and attached documents, in case no irregularity, gives the permission for export.

6. After receiving permission, exporter or authorized person shall conduct **customs declaration process as mentioned in point 2.1.1. above**

b. Scanning

All containerized cargos exported via Sea/River Port and Customs and Excise office are subject to scanning process, except for:

- Finished product of garment sector.
- Goods of embassy or organization that has diplomatic immunity, international organizations officially recognized by government and export goods of the government.
- Empty container
- Special permission to exempt this obligation permitted by Ministry of Economy and Finance.

2.1.3.2. Air

All export goods must be reported at customs office or at other locations as determined by the Director of Customs. Those goods will be kept temporary at a place controlled by customs administration (Temporary Customs Warehouse) and wait for filling customs clearance procedure before permitting to discharge.

Customs clearance procedures

All exporters shall attached all documents to process customs clearance. For customs declaration processing, please see 2.1.1.

2.1.3.3. Land

Customs clearance procedures

- For exporting goods by land, goods owner or authorized person shall request for export permit from GDCE or provincial customs and excise branch.

- After receiving permission, exporter or authorized person shall conduct **customs declaration process as mentioned in point 2.1.1. above**

2.1.4. Transit

Reference Regulations:

- Prakas No.508 MEF dated 01 July 2008 on customs transit
- Instruction No.790 DCE dated 28 August 2008 on the procedures for customs transit
- Instruction No 1090 DCE dated 17 October 2008 on the implementation of customs transit procedures
- Prakas No. 907 MEF dated 09 October 2009 on the determination of transition fee on some goods under legislative procedure of customs transit

Customs transit is the procedure which allows the transport of goods from one customs office to another under customs control. Goods being carried under Customs transit are not subject to the payment of duties and taxes. There are two (2) types of customs transit national transit and international transit.

2.1.4.1. National Transit

National transit 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

- 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 from 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 goods 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.

2.1.4.2. International Transit

International transit 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 officer 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.

2.2. Special Procedures

2.2.1. Best Traders

Reference Regulations

- Prakas No 452 MEF dated April 2013 on High Compliant Trader Incentive Mechanism
- Decision No 278 GDCE Dated 27 February 2014 on Incentive package for the best traders group
- Decision No 279 GDCE Dated 27 February 2014 on the establishment of best traders management unit
- Letter No 790 GDCE Dated 13 June 2014 on Incentive treatment's packages giving

for companies which are the best traders

Promotion program for highly compliant traders is part of implementation of trade facilitation policy of the Royal Government of Cambodia. This program has officially been implemented from 23 June 2014 during the ceremony for recognition of best traders group at the GDCE. Up to July 2015 GDCE honors 13 companies as the members of the best trader group. In addition, GDCE will increase members of best trader group and reach to the full implementation of Authorized Economic Operator (AEO) program in accordance with its strategy and work programs on reform and modernization (2014-2018).

2.2.1.1. Selection Criteria Package for Best Trader Group (BTG)

To become best trader in Cambodia, Trader or relevant person shall have qualification as below:

- Shall be in Rank 1 of Trade Credibility Management System (TCMS) at the time of applying application.
- Be legal person with its registered capital not less than 1,000 million Riel.
- Have never committed serious customs offence in the last 3 years before the time of applying application.
- Be not in debt of customs duties beyond the deadline or defaults on other debts.
- Fully implement their obligation to manage documents, accounting books, records and other information related to the import-export in accordance with existing regulations
- Shall be a member of Authorized Business Community and must be certified by Chair of Authorized Business Community on the financial situation and the compliance of the trader.
- Shall have a yearly trade volume not less than 2 million US\$ and is obliged to report in any forms as determined by the Best Trader Management Unit of the GDCE.

2.2.1.2. Best Trader Group Member Incentive Treatment Package (BTG Member)

For the first step of trial of implementation (Pilot Implement Stage) Best Trader in Cambodia may receive some exemption treatment such as:

- Provide first priority without following the First-in First-out principle during the time of lodging declaration, inspection of goods or document and releasing goods in the express manner and as soon as possible.
- Allow to fulfill customs procedure at later time by exempting the provision of security.
- Exempt the advance verification of customs valuation procedure.
- Exempt the advance verification of Rule of Origin.
- Reduce number of Containers to be undergone scanning machine in accordance with the existing regulations not more than 50% of total containers of a shipment consisting of more than one container.
- Allow to fulfill pre-arrival clearance procedure.
- Other incentives in the future determined by the GDCE.

2.2.1.3. Best Trader Group Membership Application

Traders who wish to be member of Best Trader Group must submit all applications to the GDCE in accompany with the following documents:

- Business Registration Certificate and Company's by law in company with the list of shareholders at the time of submitting application.
- Financial statements for the last two years (if required)
- Letter to certify compliance issued by

- concerned business communities.
- Copies of ID card or similar documents of Company's leaders.
- Trade Volume of import-export and sale volume in domestic markets for the last year.

2.2.2. Qualified Investment Project (QIP)

Reference Regulations

- Law on investment of Cambodia declared by Reach Kram No 03 NS dated on 05 August 1994.
- Law on the Amendment to the Law on Investment of the Kingdom of Cambodia promulgated by Preah Reach Kram No. NS/RKM/0303/009 dated March 24, 2003.
- Sub-degree No. 111.ANK.BK dated 27 September 2005, on the implementation of Law on amendment of law on investment of Cambodia
- Circular No. 110 dated January 27, 1999 on Implementation of VAT on inputs imported by export garment factories
- Prakas No. 311. MEF.BK dated March 19, 2014 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 Handbag Industry and Hat Industry
- Prakas No. 105. MEF dated 15 February 2008 on Management of Goods Exempted from Duties and Taxes
- Letter No. 393 GDCE dated March 26, 2015 on Implementation of special tax on some import goods which are the input of the production of the garment sector and garment supporting industry
- Letter No. 758 GDCE dated Jun 4, 2015 on Implementation of special tax for import of some goods which are the input of the production and the export supporting industry of qualified investment project investors.

According to the Law on Investment of the Kingdom of Cambodia, Only Qualified Investment Projects are entitled to the benefits subject to the scope of this Law. Qualified Investment Project, abbreviated to "QIP", is the investment project which has received a Final Registration Certificate. To be admitted as a QIP, the investor has to register the investment project with the Council for the Development of Cambodia (CDC) or Provincial-Municipal Investment Sub-Committee (PMIS) and receive a Final Registration Certificate (FRC).

Qualified Investment Project has three categories: 1) Domestic Qualified Investment Project, 2) Export Qualified Investment Project, and 3) Supporting Industry Qualified Investment Project.

2.2.2.1. Exemption of Customs Duties and Taxes

a. Exemption of Customs Duties

Conforming to the Sub-Decree No. 111 on the Implementation of the law on the Amendment to the Law on Investment of the Kingdom of Cambodia, a QIP shall be entitled to the exemption, in whole or in part, of customs duties based on each category of QIP as follows:

Domestic QIP refers to a QIP that does not aim at export. Production Equipment and Construction Materials imported by a Domestic QIP are exempt from Customs Duties. In the case where the QIP has a capability to directly export any portion of its manufactured products or has supplied for export industry, the quantity of Production Inputs that were taxed at the time of import and later used to produce goods directly or indirectly exported shall be entitled to customs duties exemption after a review of the quarterly report.

Export QIP refers to a QIP that sells or transfers a proportion of its product to a purchaser or transferee outside the Kingdom of Cambodia. Production Equipment, Construction Materials, and Production Inputs imported by Export QIP are exempt from customs duties. However, for the QIP which operates under the customs bounded warehouse mechanism, the customs duties exemption shall be in compliance with the law and regulations in force applicable to the mechanism. The processed Production Inputs that have not been exported shall be subject to the payment of customs duties and taxes applicable at the time of import after review of the quarterly report.

Supporting Industry QIP refers to a QIP that supplies 100% percent of its products to export QIP instead of imported raw materials and accessories. Production Equipment, Construction Materials, and Production Inputs imported by a Supporting Industry QIP are exempt from customs duties. However, in the case where the QIP failed to supply 100% of its manufactured products to the export industry or directly export its products, then the quantity of the QIP's production inputs used to produce those goods shall be subject to the customs duties and taxes after review of the quarterly report.

b. Tax Exemption

For Export Garment Industry:

- Value Added Tax on imported production inputs is borne by the Royal Government (Circular No.110 dated January 27, 1999 on Implementation of VAT on inputs imported by Export Garment Factories).
- Special Tax on imported production inputs for Garment Industry is borne by the Royal Government (Letter No. 393 GDCE dated March 26, 2015 of GDCE).

For Other Export Industries:

- Special Tax on imported production inputs of other Export Industries is borne by the Royal Government (Letter No. 758 GDCE dated June 04, 2015).

For Supporting Industry QIP for Export Industry:

- VAT on imported production inputs and production equipment to directly supply for Garment Industry, Textile Industry, Footwear Industry, Carry-Bag and Handbag Industry and Hat Industry is borne by the Royal Government (Prakas No. 311. MEF.BK dated March 19, 2014 of Ministry of Economy and Finance).
- Special Tax on imported production inputs for Supporting Industry is borne by the Royal Government (Letter No. 393 GDCE dated March 26, 2015 and Letter No. 758 GDCE dated June 04, 2015 of GDCE).

2.2.2.2. Import Procedure for QIP

- In order to import Production Equipment, Construction Materials, or Production Inputs with the exemption of customs duties or taxes, QIP shall fulfill following conditions:
- Investors or their representatives shall apply for Master List of imported goods from the Council for the Development of Cambodia (Cambodian Investment Board-CIB).
- After getting approval from CDC or CIB, the above master list shall be submitted to GDCE (Department of Customs Procedure).
- When goods in the above master list are imported, investors or their representatives shall apply for Customs Permit at GDCE (Department of Customs Procedure), attaching with supporting documents such as invoices, packing lists, transportation document, authorized letters, and other related documents if necessary.
- After obtaining Customs Permit, investors or their representatives shall complete the procedure of Customs Declaration as mentioned at point 2.1.1 at office of entry.

2.2.2.3. Customs Clearance for Export at the Export Customs and Excise Branch

Reference Regulations

- Instruction No.822 CE dated 12 November 2003 on modification of using customs (bullet) seals for sealing the container door loading exported or imported goods for necessary cases of export office, dry ports and Sihanouk Ville Branch of Customs and Excise.
- Instruction No. 016 MEF.MOC dated 18 August 2004 notification on simplification of export procedures on textile products.
- Instruction No.4683 MEF dated 10 September 2004 on establishment of the conjoint office between the Customs and Excise Unit and CAMCONTROL Unit.
- Instruction No.741 CE dated 20 July 2007 on exported garment products to the EU Markets Sold to DuPont Co., Ltd no need to mark "Made in Cambodia" on the carton boxes.
- Prakas No. 1447 MEF dated 26 December 2007 on the customs declaration provisions and procedures.
- Instruction No. 835 CE dated 05 September 2008 on withdrawing the samples of the exported garment and textile products.
- Instruction No.548 GDCE dated 22 May 2009 on determining procedures on customs clearance of the re-importation of the textile and garment products after exportation.
- Prakas No.389 MEF dated 17 June 2010 on organization and functioning of local customs unit.
- Instruction No 1114 GDCE dated on 28 November 2011 on revising the procedures and the requirement of documents for customs clearance of the re-importation of the Textile and garment products after exportation.

- Prakas No.1151 MEF dated 15 September 2015 on providing public services of GDCE of the Ministry of Economy and Finance.

General Procedures for Customs Clearance for Export

Export Branch of Customs and Excise (EBCE) has functions and duties for assisting the GDCE on customs clearance of exports and other duties as prescribed in Praka 4 of Prakas No 389 MEF dated 17 June 2010. Physical inspection of exports at EBCE shall be jointly and simultaneously done by both customs officers and CAMCONTROL officer by issuing the single joint inspection document called Joint Inspection Report of Garment and Textile Exports (instruction No. 016 MEF.MOC dated 18 August 2004 notification on simplification of export procedures on textile products, jointly issued by the Ministry of Economy and Finance and Ministry of Commerce and instruction No.4683 MEF dated 10 September 2004 on establishment of the conjoint office between the Customs and Excise Unit and CAMCONTROL Unit, issued by the Ministry of Economy and Finance).

Exported goods subject to the customs clearances at EBCE are goods under the investment scopes loaded at customs temporary storages or at manufacturing premises and other exported goods assigned by GDCE. After physical inspection and goods loaded into a container, customs officer of EBCE and CAMCONTROL officer shall individually seal a container with customs seal and CAMCONTROL seal. Customs seal on the right door of the container must be checked and verified with export documents and must be removed of before loading onto other means of transports by competent officers at office of exit (Instruction No.822 CE dated 12 November 2003).

Customs clearance procedures

All exporters shall attach related documents to process customs clearance. For customs declaration processing, please see 2.1.1.

2.2.3. Special Economic Zone (SEZ)

2.2.3.1. Additional Incentives to Zone Investors

Reference Regulations

- Sub-degree No. 111.ANK.BK dated 27 September 2005, on the implementation of Law on amendment of law on investment of Cambodia
- Sub-degree No. 148.ANK.BK dated 29 December 2005, on the Establishment and Management of Special Economic Zone
- Letter No. 3841.MEF dated 02 July 2009, Ministry of Economy and Finance, on value added tax exemption for investors in Special Economic Zone
- Letter No. 3725.MEF dated 17 June 2010, Ministry of Economy and Finance, on continuation of value added tax suspension for investors in Special Economic zone until new decision
- Letter 758 GDCE dated 04 June 2015 implementation Special Tax on import of production inputs of Export Qualified Investment Project (QIP) and Supporting Industry QIP

Customs duties exemption on import of production equipment, construction materials and production inputs shall be approved for the Zone Investors according to the proposal and in compliance with the law in force. The zone investor shall prepare a list of production equipment, construction materials and Production Inputs to be imported and submit it to the Special Economic Zone Administration for approval. Subsequently, the Special Economic Zone Administration only reports its decision to the Cambodian Special Economic Zones Board and relevant institutions for information.

Eligible fiscal incentives for the Zone Investor shall be specified in the Final Registration Certificate to be issued to the Zone Investor in accordance with the Law and Sub-Decree on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia in force.

a. Customs duties Exemption: similar to point 2.2.2.1 on customs duties exemption.

b. Tax Exemption:

Domestic Qualified Investment Project

- Value Added Tax on imported production equipment and construction materials are exempted (letter No 3841 MEF dated 2 July 2009 and Letter No. 3725.MEF dated 17 June 2010)

Export Qualified Investment Project

- Value Added Tax on imported production equipment, construction materials and production inputs are exempted (letter No 3841 MEF dated 2 July 2009 and Letter No. 3725.MEF dated 17 June 2010)
- Special Tax on imported production inputs are exempted (Letter 758 GDCE dated 04 June 2015)

Supporting Industry Qualified Investment Project

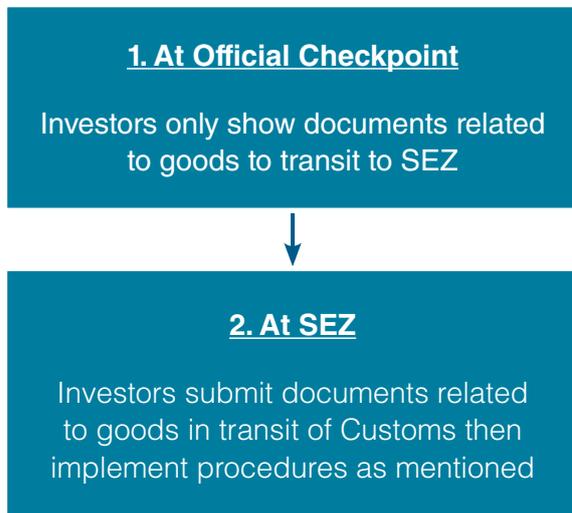
- Value Added Tax on imported production equipment, construction materials and production inputs are exempted (letter No 3841 MEF dated 2 July 2009 and Letter No. 3725.MEF dated 17 June 2010)
- Special Tax on imported production inputs are exempted (Letter 758 GDCE dated 04 June 2015)

2.2.3.2. Import Procedures

a. For SEZ located near the official checkpoint or between twenty (20) kilometers from inland or coastal border of Customs Zone

Reference Regulations

- Prakas No. 734.MEF dated 11 September 2008 on special Customs Procedures Implemented in the Special Economic Zone
- Letter 1358 GDCE dated 23 December 2013 on additional trade facilitation to investors in SEZ



1. At Official Checkpoint

- Competent customs officer to SEZ shall consider and propose to GDCE for determining the seamless route to transport goods in-out between SEZ and official Checkpoint.
- Importers only show and provide a copy of documents including invoice/Packing list, transport documents and other documents mentioned the information of goods in transit from checkpoint to SEZ.

2. At SEZ

- The investors shall submit documents related to goods in transit which are mentioned above to the competent customs officer.
- The competent customs officer shall preliminarily verify the identification of involved staff, mean of transport and related documents then allow the goods enter the Zone Investor or other Areas of SEZ in case Investors do not have a proper place to store their goods.
- The importers can unload their goods for using or processing according to their need without the presence of Customs officer in accordance with a policy of Trade Facilitation through Risk Management, except a special request from those officers who have permission from the representative of GDCE to SEZ.
- As soon as unloading their goods, importers shall lodge Customs declaration in **ASYCUDA as mentioned in point 2.1.1** by clearly describe each item whether or not being stated in the master list approved by SEZ Administration or Cambodian Special Economic Zone Board.
- The competent customs officer shall manage to verify all items declared above with Master List. Zone Investor can request to the representative of GDCE to SEZ for advance clearance importation of goods which are not in the Master List but under incentive scheme in accordance with Sub-Decree No. 148 ANKr.BK above. Other Items which are not under incentive scheme are subject to implementation of normal customs procedures especially related to duties and taxes and other restrictions.

b. For SEZ not located near the official checkpoint or between twenty (20) kilometers from inland or coastal border of Customs Zone Reference Regulations

Reference Regulations

- Prakas No. 734.MEF dated 11 September 2008, Ministry of Economy and Finance, on special Customs Procedures Implemented in the Special Economic Zone
- Letter 1358 GDCE dated 23 December 2013, on more facilitation for investors in SEZ



1. Investor

- Zone investor shall submit written request to customs at official checkpoint for transportation of goods under national transit procedure from official checkpoint to designated SEZ.
- Written request for transportation of goods under national transit procedure shall be endorsed by competent customs to SEZ

2. Customs officers to SEZ

- Customs officers to SEZ shall endorse (to certify that mentioned investors are located in designated SEZ) on the application for transportation of goods under national transit procedure within two (2) working hours.

3. Customs officers at official checkpoint

- Investors submit the application for transportation of goods under national transit procedure endorsed by SEZ customs to competent customs officer at official checkpoint and lodge summary customs declaration attached with supportive documents.
- Customs officers shall provide the priority in examining and verifying the request and urgently allow the transportation of goods to SEZ by just fixing customs bullet seal and attached with transit documents on mean of transport. At least 3 customs officers at official checkpoint are assigned to facilitate and finalize transit procedure on spot within two (2) working hours in accordance with regulations related to transit procedures in force.

4. Customs officers to SEZ

- When transited goods arrive at SEZ, investors and Customs officer shall implement procedures mentioned point A.2 at SEZ above.

2.2.3.3. Export Procedures

a. Direct Export from SEZ

Reference Regulations

- Prakas No. 734.MEF dated 11 September 2008, Ministry of Economy and Finance, on special Customs Procedures Implemented in the Special Economic Zone
- Letter 1358 GDCE dated 23 December 2013 on additional trade facilitation to investors in SEZ



1. Investors

- Investors lodge export customs declaration in ASYCUDA at SEZ Customs and Excise Office as mentioned in point 2.1.1.

2. Customs officers to SEZ

- Customs officers to SEZ verify export customs declaration.
- If there is no irregularity, competent customs officers shall urgently release goods in order to transport to office of exit by just fixing customs bullet seal and attached with export documents on mean of transport. In case of non-containerized cargo, customs shall arrange investigation mechanism.

3. Customs officer at office of exit

- Competent Customs officers shall urgently examine regularity of transportation mean and related documents without queuing. In case there is no irregularity, customs officer urgently remove customs bullet seal and urgently release goods for export. Customs officer can conduct physical inspection in case there is exact irregularity and written permission from head of customs office of exit in accordance with trade facilitation through risk management.

b. Export from SEZ via Dry Port (Consolidation)

Reference Regulations

- Letter No. 653 GDCE dated 02 August 2011, on facilitation of Customs procedures for transporting goods out of Special Economic Zone to dry ports to consolidate into the container with other goods to be exported to foreign countries



1. Investors

- Investors submit the application form (3 copies) to competent customs officers to SEZ requesting to transport goods out of the zone to dry port.

2. Customs officers to SEZ

- Customs officers to SEZ shall endorse and give permission to transport goods out of the zone by just fixing customs bullet seal and attached with related documents on mean of transport.

3. Customs officers of Export Branch of Customs and Excise

- When goods arrive at dry port, owner or representative shall urgently inform competent customs officers of Export Branch of Customs and Excise in order to verify the regularity of seal and mean of transport and certify the arrival of goods.
- In case there is no irregularity, customs officer remove seal and immediately permit the fulfillment of export customs formalities in ASYCUDA or unloading the goods to warehouse under the responsibility of dry port operator for future Customs formalities, waiting for completion of export customs formalities in accordance with customs procedures in force.
- When finishing export Customs formalities through ASYCUDA as mentioned in point 2.1.1 Customs officers inspect goods, permit loading the goods into the container and fix bullet seal.

2.2.3.4. Sales of Goods in SEZ to local market

Reference Regulations

- Sub-degree No. 148.ANK.BK dated 29 December 2005, on the Establishment and Management of Special Economic Zone (point 10.5)

1. Approval from Zone Administration

- With regard to the sale into the domestic market of the production outputs which are not of proper quality, inferior quality or out-of-date goods and that the Zone

Investor cannot export, the Zone Investor shall request for approval from Zone Administration.

2. Declare to Customs to SEZ

- All goods which are diverted in the domestic market, in whatever conditions, shall be required to fulfill the same formalities as goods imported into the Kingdom of Cambodia and shall be subject to import duties and other applicable taxes by lodging Customs detail declaration in ASYCUDA mentioned in point 2.1.1.

2.2.4. Temporary Admission

Reference Regulations

- Law on Customs declared by Reach Kram No. NS.RKM.0707.017 dated on 20 July 2007
- Prakas No. 928 MEF dated on 2 October 2008 on Temporary Importation Under the Temporary Admission

Temporary admission means the customs procedures under which certain goods can be brought into the customs territory conditionally relieved in total or in part from payment of duties and taxes. Those goods are to be imported for a specified purpose, and are to be re-exported within a specified period without having undergone any change except normal depreciation due to the use of them (Article 9 Law on Customs).

Goods to Be Authorized to Import under Temporary Admission

Importation of goods under the temporary admission may be authorized under the following cases:

- Goods for display or use at exhibitions, meetings or similar events with reasonable quantity.

- Professional equipment necessary for a technician or professional person entering Cambodia to perform a specialized task or job. The mentioned equipment does not include machineries and specialized equipment used in the manufacturing industry, packaging of goods, for exploitation of natural resources, construction or improvement of buildings, land development or similar projects.
- Containers, pallets, packages, samples and other goods, imported in connection with a commercial transaction, but which are not goods purchased or sold in any part of the commercial transaction.
- Goods imported exclusively for educational, scientific or cultural purposes, including parts for scientific equipment and educational material which is authorized to import under temporary admission.
- Goods, imported for sports purposes, which are used by tourists, athletes, business travelers for competition or demonstrations or for training within the customs territory.

- Other materials used for promoting tourism and attracting tourists to visit the country.
- Goods imported by passengers travelling across border for their own use.
- Goods imported for humanitarian purposes including laboratory and surgical equipment and goods used to relieve victims of natural disasters and similar catastrophes.
- Transport means conveying persons and goods for commercial use such as vessels, aircrafts, road vehicles, or trains which are used for international transportation whether or not for fare payment, including spare parts, accessories and equipment.
- Machineries and specialized equipment used in the manufacturing industry, packaging of goods, for exploitation of natural resources, construction or improvement of buildings, land development or similar projects may be authorized by Customs to import under temporary admission for a specified period. Obligation of duties and taxes on these goods are levied at the reduced rate of 20% of the duties and taxes according to customs tariff in force, for each year. In case the period of import under temporary admission less than one year, the obligation of duties and taxes shall be calculated for each month at the rate of two percent (2%) of the total duties and taxes of those goods.

To import goods under temporary admission procedure, the following conditions shall be fulfilled.

- Has to submit a request for authorization from customs administration prior to the importation. The application must clearly state the type of goods, quantity, value, purpose, goods owner, duration of the temporary admission and date of re-exportation.
- Imported goods under temporary admission are subject to lodgment of customs declaration and security. The security could be cancelled or returned upon having the confirmation of re-exportation.

Imported goods under temporary admission procedure shall be re-exported within one year from the date of importation. This period could be extended by customs administration if written request, with the reasonable purpose, is submitted before expiry date.

2.2.5. Customs Bonded Warehouse

Reference Regulations

- Prakas 116 MEF.BRK Dated 15th February 2008 on Customs Bonded Warehouse

A customs bonded warehouse is a building, place or an area that is authorized to store goods for a specified period of time under the customs control. Import goods and domestic goods destined for export may be placed in a customs bonded warehouse. While goods are stored in a customs bonded warehouse duties and taxes are suspended. Any restrictions and prohibitions on the goods may be waived up to the time the goods are released for home use, or exported.

2.5.5.1. Types of Customs bonded warehouse

There are three types of Customs bonded warehouse:

Type A: Public Bonded Warehouses are customs bonded warehouses that are authorized by Minister of Economy and Finance and may be operated by the government agencies or by any approved person. Any person who has the legal right to goods may store their goods in a Public Bonded Warehouse, including importers, and person to whom the goods have been sold while in the warehouse, or any other person having the legal right to dispose of the goods;

Type B: Private Bonded Warehouses are custom bonded warehouses that are authorized by the Director General 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;

Type C: Special Bonded Warehouses are customs bonded warehouses that are authorized by the Director of Customs and that are used for the storage of hazardous goods, goods that could affect the quality of other goods, or goods that require special storage facilities. Such warehouse may be private or public.

2.2.5.2. Management of Goods in Customs Bonded Warehouse

- Goods may be stored in the customs bonded warehouse for up to 2 years from the date of registration of the customs declaration. Before its expiry date, owners of the goods may request an extension for storage of goods of up to twelve (12) months if the goods are still in good condition.
- While stored in customs bonded warehouse, goods can be sold or transferred. The importer or owner of the goods shall inform customs in writing of this transfer of ownership. Goods stored in a customs bonded warehouse can be transferred to another licensed customs bonded warehouse under customs control. Transfer documents shall be submitted to customs for all such transfers.
- Goods removed for export shall be subject to lodgment of customs export declaration; and no import or export duties and taxes shall be charged, except domestic goods which may be subject to export taxes. Applicable duties and taxes on goods removed for home use shall be charged according to the customs tariff and the rates of duties and taxes in effect on the date of registration of the customs declaration for removal of the goods from the bonded warehouse.
- Owners of goods in customs bonded warehouses shall be allowed by customs to inspect goods, take samples and carry out necessary operations to preserve the those goods provided that those actions do not change the essential character of the goods. Those operations can be fumigating, drying, cleaning, testing, and normal handling operations such as breaking bulk, repackaging, sorting and grading, marking, labeling or tagging and so on.

2.2.6. Imported goods through duty Free Shop

Reference Regulations

- Letter No. 005MEF dated March 02, 2000 on the revised form of imports of goods through duty free shop
- Letter No.1006 dated December 21 , 2004 on the management form of imports of goods through duty free shop

2.2.6.1. Import Procedures

- Require import permit issued by GDCE (Department of Excise) on each importation
- Shall 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.

2.2.6.2. Transportation of duty free goods

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 (2) competent customs officers accompany the goods until designated destination.

2.2.6.3. Responsibilities of operator

- Respect and timely implement the provisions of the notice No. 005 MEF above
- Facilitate and regularly cooperate with the competent officials on all aspects
- Regularly provide reports in accordance with form determined by GDCE to Department of excise
- Clearly record sale invoice, description and quantity of goods as well as the identity of customers daily.

2.2.7. Goods under Exemption of Import Duties

Reference Regulations

- Law on Customs declared by Reach Kram No. NS.RKM.0707.017 dated on 20 July 2007
- Prakas No. 114 MEF dated February 15, 2008 on Determination of Exempted Goods
- Prakas No. 105. MEF dated 15 February 2008 on Management of Goods Exempted from Duties and Taxes

2.2.7.1. Determination of Goods that Exempt Duties and Taxes

In accordance with the provisions of Article 26 of the Law on Customs, the exemption from customs import duties and taxes are granted for certain goods and to certain qualified importers. The following goods are exempted from customs duties and taxes:

- a. Goods imported by foreign diplomatic or consular missions, international organizations and agencies of technical cooperation of other governments, to use in the exercise of their official function with the attachment of the certification from the Head of Mission, and the Ministry of Foreign Affairs and International Cooperation;
- b. Goods imported for the personal use of the official personnel of missions and organizations as stated in sub-paragraph (a). The implementation of this sub-paragraph and sub-paragraph (a) shall be based on existing international law and the principle of reciprocity between governments concerned;
- c. Goods originating in Cambodia or goods that have previously been taxed which are outside the customs territory and re-import with no value added;

- d. Goods exempted from customs import duties and taxes under the provisions of other laws and regulations of the Kingdom of Cambodia;
- e. Goods donated for charity; goods for research and scientific purposes, samples and goods for exhibition with no commercial value; coffins containing human remains;
- f. Goods up to a certain value or quantity imported by passengers, crews of conveyances and border crossers as determined by the Director of Customs;
- g. Goods in transit or being transhipped through the customs territory;
- h. Household goods, personal effects and belongings excluding motorized vehicles, imported by persons changing residence to Cambodia in quantities determined by the Director of Customs;
- i. Industrial equipment, and products needed for the operation and maintenance of such equipment, that is used on the continental shelf for the exploration and extraction of hydrocarbons and other mineral and organic substances as approved by the Minister of Economy and Finance;
- j. Other goods approved by the Minister of Economy and Finance.

Person imported goods under the above paragraphs must provide documentary evidence to the customs administration that the goods are qualified for exemption of duties and taxes.

Organizations and persons wishing to apply for exemption of duties and taxes on goods under paragraphs (a) and (b) above must first obtain authorization from the Ministry of Foreign Affairs and International Cooperation, in accordance with existing procedures.

Person wishing to import goods under the provisions of the Law on Investment of the Kingdom of Cambodia must follow the existing procedures and related regulations.

In accordance with the provisions of Article 27 of the Law on Customs, partial exemption of import duties and taxes is granted for certain goods and to certain qualified importers. The following goods are partially exempted from customs import duties and taxes:

- Goods partially exempted from customs import duties and taxes under the provisions of any existing law;
- Seeds and breeding animals for agriculture;
- Goods expected to undergo repair, processing or testing;
- Goods re-imported in the same state;
- Goods imported by the Government for public purposes and goods imported in the form of temporary admission;
- Other goods determined by the Minister of Economy and Finance.

Persons who import goods in accordance with this provision shall provide documentary evidence to customs to prove that the goods are qualified for the partial exemption of duties and taxes.

2.2.7.2. Management of Goods with Exemption of Duties and Taxes

Goods imported with exemption of import duties and taxes under subparagraph (a) of the first paragraph of Article 26 of Law on Customs for or by foreign diplomatic or consular missions, international organizations and agencies of technical co-operation of other governments, for using in the exercise of their official functions and their personnel uses shall be exported after completion of their missions.

Such goods and others stated under the provisions of the first paragraph of Article 26 of Law on Customs are not allowed to sell, transfer, divert to other non-authorized uses, or disposed of without the prior authorization from the customs authorities.

Organizations or persons, who wish to sell, transfer, divert to other non-authorized uses, or dispose of goods imported with fully or partially exempt from import duties and taxes shall request for prior permission from customs administration in accordance with following procedures:

- Shall apply for customs permit to customs administration by clearly indicating of how destinations or ownership of goods have been changed. A copy of this request shall be sent to the Ministry of Foreign Affairs and International Cooperation, or to the Cambodian Development Council (CDC) for the goods imported under the provisions of the first paragraph, Praka 1 of the Prakas No. 105 MEF dated 15 February 2008 on Management of Goods exempted from duties and taxes.
- The request shall be attached with list of goods and import documents as well as other relevant documents. The goods are not allowed to sell, transfer, or divert prior to permission from customs administration.

- New owner is obliged to payment of duties and taxes to customs administration in accordance with customs procedures in force. Goods shall not be transferred to new owners without prior authorization from the customs administration and before paying of duties and taxes or being granted another exemption from the competent authorities.
- Customs shall consider the real condition and status of the goods when delivered, and possibly adjust customs value accordingly.

Goods originated in the Customs territory or imported with duties and tax paid previously or that are returning from abroad, that have not been enhanced in value, shall be allowed to be sold, transferred, diverted to uses or disposed of without prior authorization of Customs.

Organizations or persons who wish to dispose of goods imported with exemption of import duties and taxes, shall request for prior permission from Customs. The request shall be attached with items list and import documents as well as other relevant documents. Goods disposal may occur after the authorization from Customs. Customs may examine the disposal or destroying of such goods.

2.2.8. Procedure on Exportation of Rice and Agricultural Products

Reference Regulations

- Prakas No 107 MEF dated 15 February 2008, on reporting, movement, storage and transportation of exported goods
- Prakas No 111 MEF.PRK dated 15 February 2008, on the authorization to carry out the customs formalities outside of the customs offices
- Instruction No.546 GDCE dated June 30, 2011, on the further trade facilitation for private investors in completion of customs formalities
- Instruction No 516 GDCE dated 02 April 2014, on exemption of Customs Processing Fee on rice exportation
- According to the policy of the Royal Government of Cambodia, and the recommendations of the Ministry of Economy and Finance, GDCE has provided the priority not to follow the first-in-first out order of rice exportation and has tried its best to provide the highest facilitation of customs clearance on rice

exportation in accordance with laws and regulations in force. In the meantime, GDCE has also provided the exemption of customs processing fee in exporting rice (instruction No 516 GDCE dated 02 April 2014).

- For exportation of other agricultural products, the Ministry of Economy and Finance has also provided the facilitation to exporter or representative to write a request letter to customs in order to conduct customs clearance outside the

designated customs offices such as places of growing, or place of processing of goods., etc. (Prakas No 107 MEF.PRK dated 15 February 2008 and Prakas No 111 MEF.PRK dated 15 February 2008 above).

Customs clearance procedures

All exporters shall attach related documents to process customs clearance. For customs declaration processing, please see 2.1.1.

2.3. Pre-Clearance Procedures

2.3.1. Advance Ruling

Reference Regulations

- Prakas No. 002 MEF dated on 04th January 2013 on Implementation of Advance Ruling on Tariff Classification, Customs Valuation and Origin of the Goods.
- Instruction No 345 GDCE dated on 03rd April 2013, Instruction on Implementation of Advance Ruling on Tariff Classification.
- Instruction No 346 GDCE dated on 03rd April 2013, Instruction on Implementation of Advance Ruling on Customs Valuation.
- Instruction No 2175 GDCE dated on 19th November 2014, Instruction on Implementation of Advance Ruling on Origin of the Goods

Advance Ruling was established and put into implementation in Cambodia on the 4th January 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.

2.3.1.1. Definition

Advance ruling is a written statement issued by the GDCE to a person upon his/her written request on (1) the tariff classification, (2) the interpretation and application of the Law and regulations relating to the customs valuation, or (3) the origin of the goods to be imported. The advance rulings are binding on the Customs from the effective date of the ruling.

2.3.1.2. Who can Request an Advance Ruling (Applicant)

- an importer,
- a producer of the goods in question, or
- an authorized person to account for the imported goods in question.

2.3.1.3. Offices in Charge of Advance Rulings

Two offices of Department of Planning, Technique and International Affairs of the GDCE are in charge of advance rulings:

- Tariff classification and origin of the goods: Office of Planning and Policy
- Customs Value: Office of Customs Technique

2.3.1.4. How to Request an Advance Ruling

In order to request an advance ruling, the applicant must have knowledge of the raised issues and complete all the information of advance ruling application form in Khmer or English, inclusive of signature. Request Forms of Advance Ruling are as below:

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

An advance ruling request is restricted to individual goods (one HS code), or individual import transaction. The applicant must deliver the request with necessary documents, in person, to the office in charge. In case, the applicant is an authorized person, the authorization letter must be submitted.

Additional Information and documents required:

- A certified copy of the document on the identification of the requesting company and the applicant such as VAT Registration Certificate, Annual Patent, ID card, or passport, etc.
- A sample of goods with other supporting documents indicating specification of the goods in question such as catalogue, production formula, usage, composition of goods, production process, etc.

- Buy-and-Sell documents and reference of import transaction, for the goods in question, such as purchase order, a sale contract, a pro forma invoice or a letter of credit (L/C), etc.

2.3.1.5. Processing of Requests for an Advance Ruling

The GDCE will write the applicant an advance ruling with a full explanation of the reasons for the ruling on tariff classification and origin of the goods within 30 working days, and the ruling on customs valuation within 90 working days, from the receipt of all necessary information. If all necessary information is not received with the application, additional information will be requested by a notice and the time standard of 30 working days does not include the waiting period for the additional information. In this regard, applicant will be given a period of 30 working days from the date of the notice (or such longer period as the notice may provide) to supply additional information or to fulfill other requirements. If there is no response to the notice within the time allotted, the advance ruling request will be closed administratively and considered withdrawn.

Situations in which Advance Rulings will not be issued:

- when the request is hypothetical in nature;
- where the applicant fails to provide sufficient information/documentation to enable the GDCE to make a decision regarding tariff classification, customs valuation and origin of the goods in question;
- where the goods in question, of the import transaction or similar transactions, are the subject of the objection or appeal as stated in Article 24 of the Law on Customs;
- where a dispute is arising or is more likely to arise among the parties concerned in relation to the tariff classification, the import transaction, and the origin of the goods in question;

- where the goods in question is subject to SAD examination;
- where the request relates to importation that have already occurred;
- where the goods of the import transaction in question is subject to the full exemption of duties or taxes;
- where the import transaction in question and similar transactions are under Post-Clearance Audit process as stated in Article 57 of the Law on Customs;
- where the request needs the interpretation of the provisions of laws and/or regulations other than the provisions of the law and regulations relating to customs valuation;
- where the import transaction in question is or could be in breach of laws and/or regulations;
- where the import transaction in question is too irrational to be deemed as a normal business practice (e.g. an import transaction under which the prices of the goods are always below their costs of production);
- where the request covers only a part of the import transaction in question;
- where the fact situation of the import transaction have to be verified through field audit and enquiries to other parties concerned.

2.3.1.6. Validity of Advance Ruling

Advance rulings are in effect for three (3) years from the date of issuance. However, they cease to be valid when the material facts and circumstances surrounding the importation of goods in question are different from ones of actual importation; when the advance ruling is affected by an amendment in the law and/or regulations; when the GDCE issues a modification or revocation of the advance ruling to the applicant; or when the ruling is revised as a result of a review.

In order to benefit from advance ruling at the time of importation, importers shall attach a copy of the advance ruling with the SAD.

2.3.1.7. How to Request for Review of an Advance Ruling

To dispute an advance ruling, the applicant, in person, is required to file a request for review, to the office in charge, within 45 working days after the date of the disputed advance ruling. 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

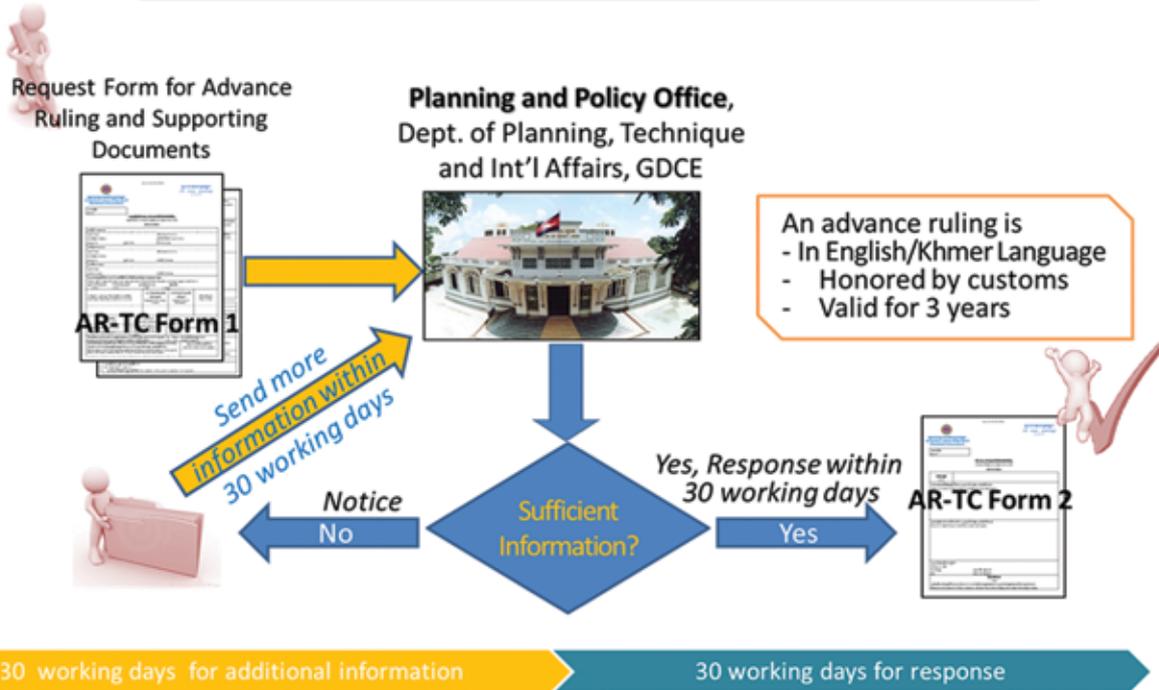
The applicant must complete and sign the Request Form, in Khmer or English, along with a copy of the disputed advance ruling and written arguments to support the dispute.

The request will be processed for review regarding to the procedure as stipulated in Paragraph 1 of “Processing of Requests for an Advance Ruling”. After the review and evaluation, the Office in charge will provide the decision of the review which will replace the disputed advance ruling. (Please see the illustrations of the Processing of Requests for an Advance Ruling on Tariff Classification, Customs Valuation and Origin of the goods in question.)

2.3.1.8. Publication of Rulings

In order to ensure predictability, advance rulings may be published in some manners (e.g., on the Internet: [http://web.customs.gov.kh / advancerulingdecisions](http://web.customs.gov.kh/advancerulingdecisions)) with certain information that would not directly identify the applicant and the parties of the import transaction in question. The applicant must advise the GDCE of any confidential information contained in a request for an advance ruling or in a request for the review of an advance ruling to ensure that this information is not published.

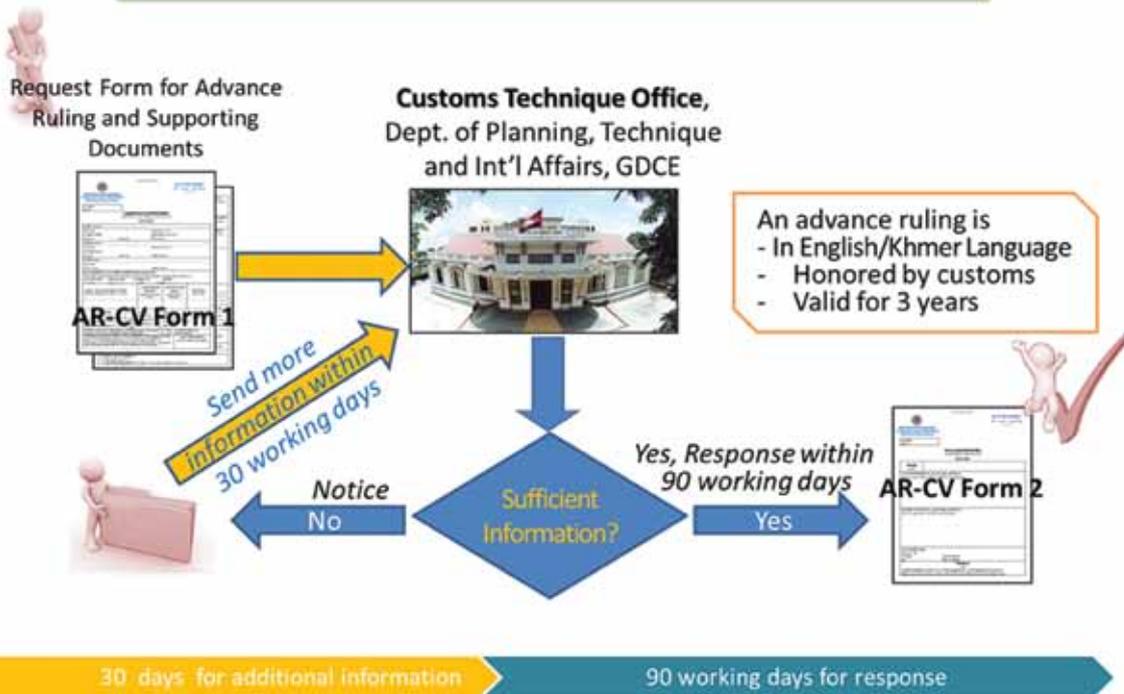
Processing of Requests for an Advance Ruling on Tariff Classification



Review of an Advance Ruling on Tariff Classification



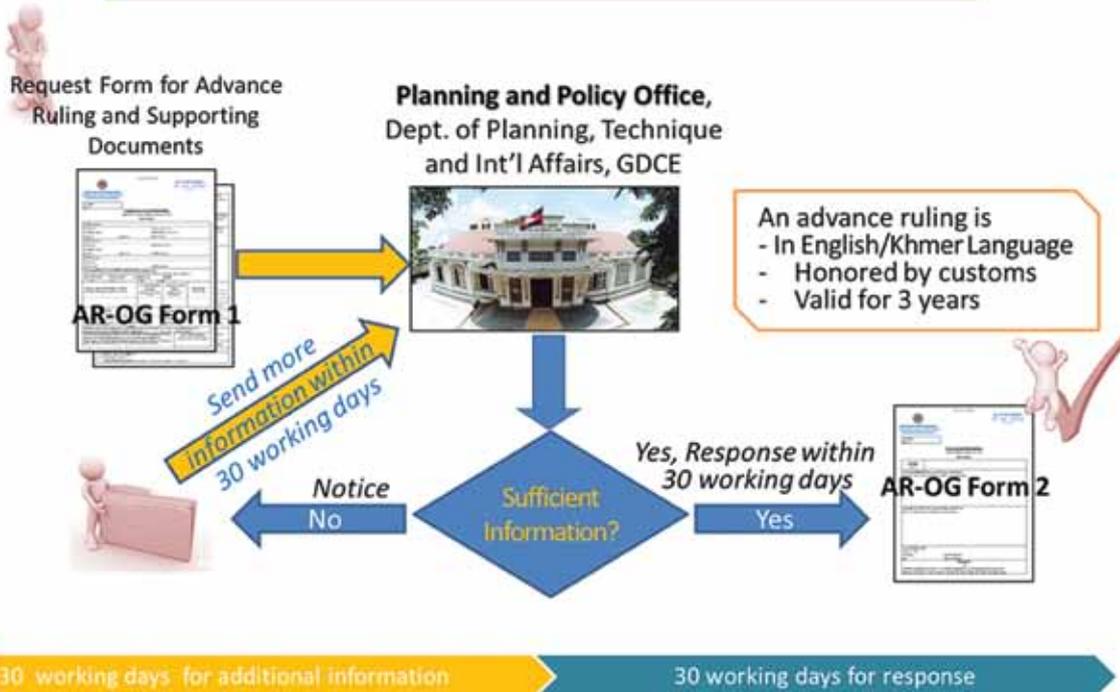
Processing of Requests for an Advance Ruling on Customs Valuation



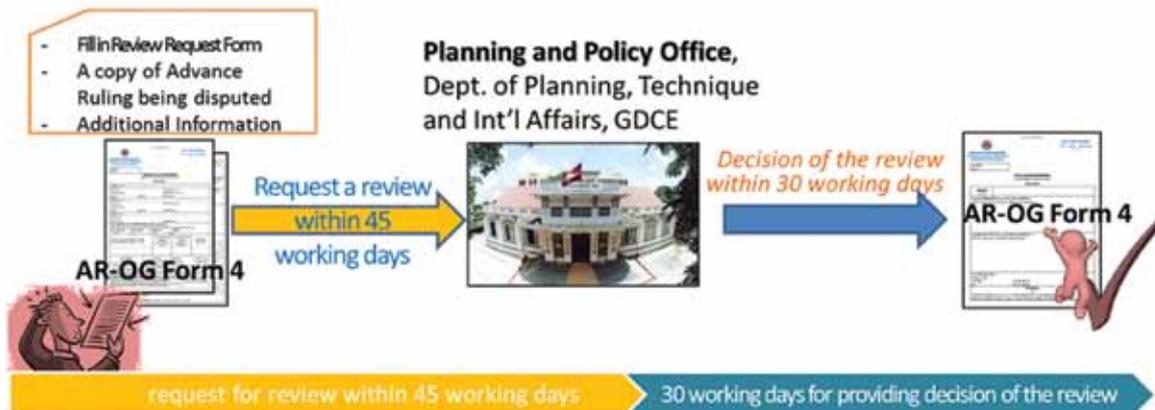
Review of an Advance Ruling on Customs Valuation



Processing of Requests for an Advance Ruling on Origin of the Goods



Review of an Advance Ruling on Origin of the Goods



2.3.2. Customs Valuation

Reference Regulations

- Prakas No 387 MEF dated on 22 May 2008 on the determination of customs valuation of imported goods

2.3.2.1. Definition of Customs Value

The customs value of the imported goods is the transactional value, which is the price actually paid or payable for the goods when sold for export to Cambodia. The declaration of the customs value of the imported goods on SAD shall be complied with point B of Article 18 of the Law on Customs and Prakas No. 387MEF dated 22 May 2008 on the determination of customs value of imported goods. The customs value is declared in Riel currency (Article 23 of Law on Customs). The method to calculate the customs valuation is simply described in the brochure titled “the Determination of Customs Value” which is available at the GDCE.

2.3.2.2. The Decentralization of Customs Valuation

The decentralization of customs valuation aims at giving more facilitation for import and export through the reduction of time and cost related to customs declaration. Until July 2015, the customs valuation is decentralized to local customs and excise units at the border of Cambodia except Sihanouk Ville port customs and excise branch and Phnom Penh international port. In this regards, for the importation through every customs checkpoints except both ports mentioned above, traders can directly go to those local customs and excise units for the verification of customs value except the importation of some high-risk goods such as used goods, all types of vehicles, telecommunication equipment, petroleum or gaming equipment, which is subject to customs valuation at the headquarters (Department of Planning, Technique and International Affairs). The GDCE has been examining the possibility of expanding decentralization of customs valuation to all local customs around the country in the future.

2.3.2.3. The Procedures for Customs Valuation

Place for customs valuation

- Customs valuation units at branches and local customs and excise offices (within decentralization framework)
- Department of planning, technique and international affairs of the GDCE

Submission of documents for customs valuation

To submit the imported-exported documents to competent customs and excise officers for the customs valuation, traders needs to fill in the customs valuation form along with supporting documents as followings:

- 3 copies of commercial invoice, packing list and bill of lading
- VAT certificate, patent, authorized letter, national ID or passport of owner or representative
- Permission letter (if required)

In some cases, competent customs officers may require relevant traders to provide additional supporting documents such as:

- Sale contract, purchase order, telegraph transfer (TT), public price chart and other documents related to transaction or payment
- Documents which indicate the identity or detail specification of products

The correct documents are:

- Correctly fill in all the required columns
- There is no irregularity or erasure
- Stamp duplicated documents with the company stamp of goods owner etc.

Authorized person to propose customs valuation

- Company owner of the imported goods or

- Staff of importing company, who is authorized by company owner (with the attachment of staff ID card of the importing company)
- Legal person or individual who is authorized as Customs Broker

Time for customs valuation:

If all documents are sufficient and correct, the verification and decision of customs valuation will be done within 1 to 2 working days. In case that the verification cannot be completed with any reasons, the competent customs and excise officer will initial the relevant documents, confirming the reasons for late decision making.

Appeal mechanism of customs valuation:

Any individual who is not satisfied with the decision by competent customs officers regarding the customs valuation can make a written complaint to the GDCE according to article 24 of Law on Customs.

Communication methods:

In case there is any inquiry regarding the calculation method or procedures for customs valuation, the stakeholders can ask for information at the department of planning, technique and international affairs of the GDCE.

2.3.3. Certificate of Origin Verification

GDCE is receiving authority, so GDCE check C/O based on Operational Certification Procedures (OCP) Annex 8 of ATIGA)

2.3.3.1. Presentation of Certificate of Origin (C/O)

- Customs Declaration (SAD)
- Certificate of Origin
- Supporting documents including : Invoice, Packing List, Bill of Lading/Air waybill
- and other documents required by laws and regulation

2.3.3.2. In Case when C/O is rejected

- Mark and comment on box 4 and return
- Not exceeding 60 days
- Need clarification from issuing authority
- Goods release by MFN rate

2.3.3.3. Form of C/O

- C/O must be ISO A4 size white paper
- C/O comprise one (1) original, two (2) carbon copies (duplicate and triplicate)
- Original copy is forwarded to customs authority, duplicate retained by issuing authority, triplicate retained by exporter.

2.3.3.4. Examination of Application for C/O

- C/O are duly completed and signed by authority
- Origin of product is conformity with the provision of chapter 3 of the Agreement
- Other statement of CO correspond to supporting documents

2.3.4. Prohibited and Restricted Goods

Reference Regulations

- Sub-degree No. 209/ANK/BK dated 31 December 2007, on the Enforcement of the list of prohibited and restricted goods
- Sub-degree No. 208/ANK/BK dated 08 September 2011, on the amendment of note II of annex 2 of Sub-degree No. 209/ANK/BK dated 31 December 2007, on the Enforcement of the list of prohibited and restricted goods

Prohibited and restricted goods are goods stated in annex 1 of Sub-degree No. 209/ANK/BK dated 31 December 2007, on the Enforcement of the list of prohibited and restricted goods

Definition

Prohibited and restricted goods are goods which are subject to a certain conditions on imports or exports under 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;
- The fulfillment of obligations under the Charter of the United Nations.

Import or export of prohibited and restricted goods is subject to:

- Absolute prohibition on import or export or,
- License, permit, or certificates as well as other legal documents in similar form, prior to its import or export, or under other specific treatment required by competent

authorities of the government including relevant technical ministries or agencies in accordance with laws and regulations of the Kingdom of Cambodia currently in force.

Notes

1. The list of annex 1 of sub-degree No. 209 is not applicable to non-commercial export or import in form of sample, stuff for personal use of passengers, equipment of moving accommodation or similar form as well as commercial export of wood products (locally planted wood), bamboo, rattan, palm, rushes or osier which are handicraft products for using at home, stuff for decoration and various statues of less than 5 kilograms of weight per unit. This exemption is not applicable to any goods which is absolutely prohibited for export or import or any sort of high risk toward public safety.
2. Product of animal origin which belongs to the CITES' list but not precisely specified in the sub-decree due to technical issue shall subject to CITES permit on its import/export.
3. Other prohibited and restricted goods beside goods mentioned in annex 1 of Sub-degree No. 209 are:
 - Right-hand drive vehicle;
 - A number of used commodities such as computers, shoes, bags, battery etc.
 - Religious books, Politics books, Pornography, Advertisement Pictures, and other kinds of printed documents prohibited by law;
 - Goods of IPR infringement, fake items, and goods of monopoly right infringement.
4. Import of instruments or technical equipment for airplane shall have permission from Civil Aviation Authority.

5. "All kinds of used equipment of cold" and "brand new equipment of cold consuming ozone depletion substance" shall have import permission from the Ministry of Environment.
6. All imported goods shall be in compliant with the Industrial Standard of Cambodia and Quality and Safety Standard.
7. Seeds of crops and other seeds which are not stated in the list shall be subject to the same treatments of those of seeds in the list in accordance with the existing regulations relevant to agriculture materials.
8. For those exported goods whose Animal Health Certificate, Phytosanitary Certificate, Fishery Health Certificate, or other certificates are required by exporting country, exporter shall request those certificate from the Ministry of Agriculture Forestry and Fishery or from other relevant competent authorities.
9. Export of Mines shall have permission from the Ministry of Industry Mines and Energy.
10. Import permit from the Ministry of Health shall be required for items in chapter 28 and chapter 29 which are used as input materials for medicinal manufacture, and/or listed in the list of Narcotics Drugs, Psychotropic Substance, and Drug Precursors. Otherwise, the rest of items in the two chapters shall acquire permission from the Ministry of Industry Mines and Energy.
11. Import permit from the Ministry of Agriculture Forestry and Fishery shall be required for animal medicines which are not stated clearly in the list.
12. In case where import/export permit from the Council of Development for Cambodia (CDC) is available, there shall be no need permit from competent ministries or agencies, except that goods are under restriction of transportation due to public safety and security reasons.
13. Considering the needs of management, physical examination, decentralization of authority issues, and the capability of electronic linkage of information among all customs offices around the country, goods in the list which already acquired permit from competent authority to import/export in the form of package of more than once through more than one border check-points, they shall be placed under temporarily-specific control from the Customs and Excise Department and/or the Department of CAMCONTROL.

2.3.5. Customs Permit

Reference Regulations

- Law on Customs declared by Reach Kram No NS.RKM.0707.017 dated on 20 July 2007
- Law on the Amendment to the Law on Investment of the Kingdom of Cambodia, promulgated by Preah Reach Kram No. NS/RKM/0303/009 dated March 24, 2003.
- Law on investment of Cambodia declared by Reach Kram No 03 NS dated on 05 August 1994.
- Sub-degree No. 111.ANK.BK dated 27 September 2005, on the implementation of Law on amendment of law on investment of Cambodia
- Sub-degree No. 209 ANK.BK dated 31 December 2007 on the Enforcement of the List of Prohibited and Restricted Goods
- Sub-degree No. 208.ANK.BK dated 08 September 2011, on the amendment of note II of annex 2 of Sub-degree No. 209. ANK.BK dated 31 December 2007, on the Enforcement of the list of prohibited and restricted goods

- Circular No. 110 dated January 27, 1999 on Implementation of VAT on inputs imported by export garment factories
- Circular No.3, of the Royal Government of Cambodia, dated June 12, 1997 on rules and procedures in applying for importation of equipment and materials with exemption of duties and taxes under Grant Aid, Loan, and Humanitarian Aid framework
- Inter-Ministerial Prakas No. 581 MEF dated June 10, 2013 on Procedures for the Application to Import Materials, Machineries, Vehicles and Petroleum of the Grant Aid with Duties and Taxes Borne by the Royal Government of Cambodia under Grant Aid Framework
- Prakas No.311.MEF dated March 19, 2014 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 Handbag Industry and Hat Industry
- Prakas No. 114 MEF dated February 15, 2008 on Determination of Exempted Goods
- Authorization Letter No. 005 of Ministry of Economy and Finance dated April 6, 2015

2.3.5.1. Goods that are Subject to Customs Permit

Imported/exported goods which are required to apply for Customs Permit at GDCE include as follows:

- All kinds of goods imported by Qualified Investment Projects (QIP) outside any Free Zone and whose duties and/or taxes are borne by state
- All imported/exported goods in the list of prohibited and restricted goods in importation and exportation of Annex 1 of Sub-degree No. 209 ANK.BK dated 31

December 2007 on the Enforcement of the List of Prohibited and Restricted Goods

- All imported goods whose duties and taxes are borne by the Royal Government under public investment framework
- All imported goods whose duties and taxes are borne by the Royal Government under Grant Aid, Loan, and Humanitarian Aid framework
- All imported goods whose duties and taxes are borne by the Royal Government and which are imported for foreign diplomatic or consular missions, international organization and technical cooperation agencies of other governments for use in the exercise of their official function and for personal use of their official personnel
- All imported goods, whose duties and taxes are borne by the Royal Government, which are household goods, personal effects, and other belongings excluding motorized vehicles that are imported by persons who have moved into Cambodia
- Other goods determined by the Minister of Economy and Finance.

2.3.5.2. Procedure in Applying for Customs Permit

a. Import by QIP

Persons who apply for Customs Permit to import QIP's goods whose duties and taxes are borne by the Royal Government shall:

- Obtain Master List of goods imported for QIP production approved by the Council for the Development of Cambodia (CDC)/ Cambodian Investment Board (CIB),
- Submit to GDCE (Department of Customs Procedure) the request letter attaching with the invoice, packing list, transportation documents, authorization letters for representatives and other documents as necessary.

b. Import/Export of Goods in the List of Prohibited and Restricted Goods

To import/export the goods in the List of Prohibited and Restricted Goods, importer shall implement as follows:

- Obtain license, permit, or certificates as well as other legal documents in similar forms, from competent authorities of the government including relevant technical ministries or agencies.
- Submit to GDCE (Department of Customs Procedure) the request letter attaching with the invoice, packing list, transportation documents, authorization letters for representatives and other documents as necessary

c. Import of Goods under Public Investment Framework

Under Public Investment Framework (Grant Aid)

Persons who apply for Customs Permit to import goods with duties and taxes borne by the Royal Government under public investment framework by using Grant Aid shall:

- Obtain Master List of goods imported for their production of public investment projects approved by the Council for the Development of Cambodia (CDC)/Cambodian Rehabilitation and Development Board (CDC/CRDB).
- Submit to GDCE (Department of Customs Procedure) the request letter attaching with the invoice, packing list, transportation documents, authorization letters for representatives and other documents as necessary

Under Public Investment Framework (Loan)

Persons who apply for Customs Permit to import goods with duties and taxes borne by The Royal Government under public investment framework by using Loan shall:

- Obtain Master List of goods imported for their production of public investment projects approved by Ministry of Economy and Finance.
- Submit to GDCE (Department of Customs Procedure) the request letter attaching with the invoice, packing list, transportation documents, authorization letters for representatives and other documents as necessary

d. Import of Goods under Grant Aid, Loan, and Humanitarian Aid Framework

Import of Goods under Grant Aid Framework (Bilateral, Multilateral, NGO)

Prior to applying for Customs Permit in order to import materials, machineries, vehicles and petroleum with duties and taxes borne by the Royal Government for implementing projects under Grant Aid, Loan, and Humanitarian Aid framework or for functioning in offices of development cooperation agencies, the project implementing agencies (including: ministries and institutions of the Royal Government of Cambodia and/or Development Partners' agencies, International Organizations and Non-Governmental Organizations), the project implementer shall apply for the import permission of goods with duties and taxes borne by the Royal Government from the Council for the Development of Cambodia/Cambodian Rehabilitation and Development Board (CDC/CRDB).

After obtaining the import permission of goods with duties and taxes borne by the Royal Government from CDC/CRDB, the above importer shall apply for Customs Permit at GDCE (Department of Customs Procedure) with submitting some necessary documents that include:

- Import permit of goods with duties and taxes borne by Royal Government from CDC/CRDB
- Request letter which was submitted to CDC/CRDB for import permission of goods with duties and taxes borne by The Royal Government

- Invoice, packing list, transportation documents, authorization letter for representatives, and other documents as necessary.

Import of Goods under Loan, and Humanitarian Aid framework

Prior to applying for Customs Permit in order to import equipment and materials with duties and taxes borne by the Royal Government under Loan and Humanitarian Aid framework, the project implementing agency or the aid recipient institutions shall submit the application to Ministry of Economy and Finance for getting approval.

After obtaining the import permission of goods with duties and taxes borne by the Royal Government from Ministry of Economy and Finance, the above project implementing agency or aid recipient institutions shall apply for Customs Permit at GDCE (Department of Customs Procedure) with submitting some necessary documents that include:

- Import Permit for importation of goods with duties and taxes borne by the Royal Government from Minister of Ministry of Economy and Finance or request letter, for import permission of goods with duties and taxes borne by the Royal Government, that was endorsed by Minister of Ministry of Economy and Finance
- Invoice, packing list, transportation documents, authorization letter for representatives, and other documents as necessary.

e. Import of Goods for Foreign diplomatic or Consular missions, International organization and Technical Cooperation Agencies of Other Governments

- Organizations and persons wishing to apply for exemption of duties and taxes for goods imported for foreign diplomatic or consular missions, international organization and technical cooperation agencies of other governments for use in the exercise of their official function and for personal use of their official

personnel shall first obtain authorization from the Ministry of Foreign Affairs and International Cooperation.

- Based on the above request, the Ministry of Foreign Affairs and International Cooperation submit the request, for importation of goods with duties and taxes borne by the Royal Government, to Ministry of Economy and Finance for approval (GDCE shall examine and decide the above request in the name of Ministry of Economy and Finance According to Authorization Letter No. 005 of Ministry of Economy and Finance dated April 6, 2015)
- After obtaining approval from GDCE management, applicant shall apply for Customs Permit at GDCE (Department of Customs Procedure) with submitting some necessary documents that include: the invoice, packing list, transportation documents, authorization letter for representatives, and other documents as necessary.

f. Import of Goods such as Household Goods, Personal Effects, and Other Belongings Excluding Motorized Vehicles in the Case of Transferring Residence

- Applicant shall submit the request letter for import of goods with duties and taxes borne by the Royal Government to Ministry of Economy and Finance.
- GDCE examine and decide the above request according to Authorization Letter No. 005 of Ministry of Economy and Finance dated April 6, 2015.
- After obtaining approval from GDCE management, applicant shall apply for Customs Permit at GDCE (Department of Customs Procedure) with submitting some necessary documents that include: the invoice, packing list, transportation documents, authorization letter for representatives, and other documents as necessary.

2.4. Other Procedures

2.4.1. Postal Goods

Reference Regulations

- Prakas 183 MPTC dated 05 Nov 1997 on the procedure on postal service
- Letter 912 CED dated 29 Sep 2006 on the temporary determine the amount of product allow to import by passenger under tax exemption
- Prakas 1447 MEF dated 26 Dec 2007 on Customs Declaration Provisions and Procedures
- Prakas 106 MEF dated 15 Feb 2008 on the customs temporary storage
- Prakas 569 MEF dated 19 Aug 2010 on the inspection on the exported goods imported goods and transportation means
- Circular 004 MEF dated 24 Jul 2012 on the procedures for low values goods (De Minimis)
- Letter 773 GDCE dated 05 June 2015 on the temporary determine the amount of product allow to import by passenger transportation people work for transportation means and others passenger travel through border.
- Law on Postal Sector promulgated by Reach Kram No NS/RKM. 0702/012 dated 11 July 2002

2.4.1.1. Warehousing

Although the imported goods are obliged duties and taxes or are exempted duties and taxes, those goods are subjected to declare to Customs (Article 10 of Law on Customs). Imported goods through postal service will be kept in temporary storage under supervision by Customs before releasing for home use or placing in other customs procedures.

2.4.1.2. Customs Clearance Procedure

All imported or exported goods, whether or not exempt from duties and taxes, must be the subject of a customs declaration (article 29 of Law on Customs).

Sender of postal mail must complete Customs Declaration Form CP72 for Parcel Post and CN22 for EMS that will be attached to the parcel.

Parcel mail that have not been stated in law and regulations for tax exemption and the value exceeds the amount stated in National legislation are subjected to duties and taxes (Please refer to 1.2.5. Exemptions, Partial Exemptions, and Refund of Duties and Taxes and 2.4.5. De Minimis). Owner of the parcel must submit the customs declaration made in written or by electronic means with completed all of necessary information. Document to be attached with the customs declaration include commercial invoice, packing list, transportation documents and if necessary, manifest, license (permit), certificate of origin, insurance certificate and other related document.

2.4.1.3. Customs Inspections

All imported and exported goods, whether is intended to duties and taxes or not, are subjected to customs inspection (article 56 Law on Customs). Physical inspection on parcel is done by Customs with the attendance of post officer or owner or authorized person.

Physical inspection is not done on parcel mail as below:

- Parcel of consular or diplomatic pouch of other governments
- Post cards, letter of personal and for the blind
- Printed documents that is not subjected to duties and taxes
- International transit mail.

2.4.2. Goods or personal effect of passenger

Reference Regulations

- Letter No. 773 GDCE Dated 05-June-2015 on limiting the quantity of goods or personal effect, which can exempt duties and taxes for passenger, transportation's staff and those who cross the border.
2. Cigarette not exceeding 200 cigarettes, Cigar not exceeding 50 Cigars or Tobacco not exceeding 200 grams

Passenger, Transportation's staff and those who cross the border can bring along by the exemption of duties and taxes with the quantity of goods and personal effect as follow:

1. All kinds of alcohol not exceeding 2 liters
3. Perfume and cosmetics amount not exceeding 350 milliliters
4. Stuff and other tools in an appropriate amounts that need to travel and non-prohibited goods.
5. Persons less than 18 years old do not get preferential items 1 and 2 above.

2.4.3. Non-commercial goods

Reference Regulations

- Instruction No. 009 MEF Dated 01-December-2005 On the Management of Non-commercial goods

Non-commercial goods are goods occasionally imported by traveler or by resident at the border for their personal use or using at the border area. Importation of non-commercial goods shall be implemented as follows:

- An occasionally importation of goods by passenger deemed as non-commercial is subject to fulfillment of customs procedures in accordance with law in force and require importer to show a passport that certifies the entry to and exit from the country from competent authorities at check point. Customs receipt shall be stamped or written "non-commercial - for personal use". No use customs seal is required. In case of passenger occasionally imports of goods for commercial purpose, customs value shall twenty (20) percent added on the existing customs valuation and stamped or written "for commercial" on the customs receipt, sealed if the goods is under Customs seal systems to be circulated on the market.
- Importation of resident at the border area is subject to fulfillment of customs procedures in accordance with law in force. Customs receipt shall be stamped or written "For circulation in the border area". The resident at the border area who performs commercial export and import transactions throughout the country set up a company with VAT identification number and patent as normally importer-exporter and if necessary shall follow the instructions above.

2.4.4. Small Size Trade

Reference Regulations

- Circular No. 007. Dated 29 December 2009 on the management of small size imported and exported goods (Circular continue to comply with Circular No. 009 MEF dated 01 December 2005 on the management of commercial goods imported without trade of the Ministry of Economy and Finance)
- Export-import customs clearance services on behalf of other individuals can only be done by customs broker in accordance with the provisions chapter 5 of the Law on Customs. Customs Broker can collect service charge from owners of the goods based on their agreement on each actual case.
- Provide permission for individuals who perform small size exportation and importation with customs value not exceeding 300 USD on some goods including vegetables, fruits and other similar agricultural products which are not in the list of prohibited and restricted goods. Owner of the goods, whether or not has VAT identification number, are able to perfume customs clearance by using summary customs declaration attached with a copy of the Identification card or other similar documents, with a finger print and signing in front of competent customs officer. The same case is applied for small size exportation and importation in order to circulate though out the country including commercial transaction country by just adding customs value of ten (10) percent on the existing customs valuation customs by competent customs officers at entry check point.

2.4.5. De Minimis

Reference Regulations

- Instruction No. 004 MEF dated July 24th, 2012 on customs procedure for De Minimis (This instruction is compliant with Instruction No. 007 MEF dated December 29th, 2009 on export-import of goods in small quantity management)
- Goods are considered De Minimis when the exportation or importation of the goods is in form of express consignment, non-commercial import, and/or similar forms with FOB value not exceeding 50 USD.
- De Minimis goods are exempted from duties and taxes.
- 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.
- Certain number of goods that are temporarily not subject to De Minimis includes goods in list of prohibited and restricted goods stated in the Sub-degree 209 ANK.BK dated December 21st, 2007 with the absolute prohibition treatment and sensitive goods and goods which can potentially affect public order and security such weapons, explosives, military equipment, drug, drug compositions, and other hazardous goods.

2.4.6. Import and Export of foreign currencies

Reference Regulations

- Prakas No. 013 PR.MEF.KR dated February 17th, 1998 on the legal procedure in export-import of foreign currencies

2.4.6.1. Foreign Currencies Import

There is no limitation on quantity of foreign currencies to be imported into Cambodia by any delegation, traveler, legal individual, and any individual called “representative”. Traveler who imports foreign currencies equivalent to 10,000 USD or over shall lodge customs declaration in accordance with laws and regulations in force and provide the (imported) declaration to customs officer for verification when these foreign currencies are re-exported.

2.4.6.2. Foreign Currencies Export

Those who wish to export foreign currencies from Cambodia with the value exceeding 10,000 USD or with the value over the declared value when imported shall as for permission from by the National Bank of Cambodia and other competent authorities.

2.4.6.3. Procedures for Foreign Currencies Export

Traveler who wishes to export foreign currencies shall:

- Show the customs officers export permit issued by the National Bank of Cambodia.
- Correctly, fully, and clearly complete the customs declaration.
- Travel through the route authorized by the competent authorities. Exporting foreign currencies through route other than the authorized one(s) or by a different individual other than the owner is absolutely prohibited.
- Correctly, fully, and clearly complete in letter in the customs declaration regarding the type and amount of the currencies carried with him/herself, delegated to others, and remitted with aircraft in order to show to customs officer in order to inspect in the customs and excise office.

2.4.7. Import and Export of Human Corpse

Reference Regulations

- Letter No. 6738 KBT.SA/CHB.K5 dated December 31st, 2003 on the permission to export foreigner corpses from the Kingdom of Cambodia.
- In order to import human corpses into Cambodia, the family shall present documents issued by Cambodian Embassy based in the country where the human corpse deceased and attach with the record or letter on cause of decease of the exporting country
- Individual who wishes to export the human corpse that deceased in Cambodia due to disease, traffic accident, or other causes must request for permission from the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia.

2.4.8. Compromise settlement of Customs Offense

Reference Regulations

- Prakas No. 618 MEF.PR.CE dated 24 July 2009 on Customs Offense Mediation
- Prakas No. 570 MEF.PR dated 19 August 2010 on Complaining Procedures against Customs Record.

Customs is authorized to reach settlement with individuals prosecuted for customs offenses based on the article 77 of Law on Customs. The right of settlement applies only to monetary fines.

- The relevant individuals have to follow the restrictions and conditions of the official ruling on the settlement of customs offense including the payment of duties, taxes and penalties and other obligations stated in the decision within 90 days from the date of the decision. If the relevant individuals fail to follow the restrictions and conditions of the decision during this limited time, the goods are considered to be unclaimed goods based on the article 54 and 55 of Law on Customs.

2.4.8.1. The Right of Customs to compromise the settlement of Customs Offense

- Chief of customs and excise offices has the right to compromise the settlement of all customs offenses related to the goods valued not over 1,500,000.00 Riels.
- Branch managers or directors of customs and excise departments have the right to compromise the settlement all customs offenses related to the goods valued not over 4,000,000.00 Riels.
- The GDCE has right to compromise the settlement all customs offenses.

2.4.8.2. Procedures to Compromise the settlement of Customs Offense

- Within the period of 30 days from the date of customs offense record or other customs record, related person have to come to settle customs offense if they do not want to go to competent court. The right of settlement and date shall be stated in the customs offense record or other record. If the official ruling on the settlement of customs offense cannot be made within the period of 90 days from the date of customs offense record or other record, customs shall send the case to competent court.

2.4.8.3. Complaining Procedures against Customs Record

- Any person implicated in a Customs offence can appeal in writing to the GDCE within 30 days after receiving the notification of the punishment or detention by providing the reasons of appeal and depositing security in accordance with the article 41 of Law on Customs.
- 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.
- The appeal can be lodged at customs units including (1) Offices issuing offence records or penalty (2) Related customs and excise branches (3) Office of legal affairs and public relation (4) Secretariat of the GDCE. After receiving the complaint, the relevant customs units have to send the appeal to the GDCE without delay.
- The appeal shall have information such as (1) name, address and signature of the person concerned (2) The details of customs offense record or temporarily detention record including the copy of those records and (3) The description of the reasons for appeal.

- Temporarily detained goods such as transportation, documents and other detained objects not required as evidence, which are not subject to any restriction can be given to the owner after security is provided.
- If the GDCE does not agree 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.

3

ADDITIONAL PROCEDURES BASED ON LAW AND REGULATIONS UNDER OTHER MINISTRIES

3.1. License, Permission Letter and Certificate

Exporters must provide additional documentation for items that the Royal Government of Cambodia has determined to be sensitive or that are monitored for trade purposes. Below chart shows type of License Permission Letter, or Certificate that are required to export certain items and the government authority where they can be obtained.

Note: New handicraft items and silk goods do not require additional documentation except if they involve silverware or they are an art and cultural heritage product.

License or Permission or Certificate

	Type of Goods	Documentation	Government Authority
Export License	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 Fishery - Council of Ministers

	Type of Goods	Documentation	Government Authority
Certificate	Fresh Fruit, Vegetables, Plants and Agricultural Materials (including Pesticides, fertilizers, Seed, Seeding Materials and Feed Additives)	<ul style="list-style-type: none"> - Customs and Excise Permit - Sanitary and Phytosanitary Certificate (SPS) 	<ul style="list-style-type: none"> - Customs and Excise House - Ministry of Agriculture, Forestry and Fisheries
	Garments	Certificates of Origin (valid: 6 months)	<ul style="list-style-type: none"> - Ministry of Commerce
	Drugs and Medicines	Ministry of Health Certificate	<ul style="list-style-type: none"> - Ministry of Health
	Live Animals	Animal Health Certificate (valid: 5 years) or CITES Certificate	Ministry of Agriculture, Forestry and Fisheries
Permission Letter	Art and Cultural Products	Permit Letter	Ministry of Culture and Fine Art
	Fish, Crustaceans, Mollusks and Other Aquatic Product	Permit Letter (valid: 1 year) Certificate of Origin Customs Permit	<ul style="list-style-type: none"> - Ministry of Commerce - Ministry of Agriculture, Forestry and Fisheries - Customs and Excise House
	Jewelry, Silverware and Unprocessed Precious Stones	Permit Letter (valid: 1 year)	National Bank of Cambodia

Information Resource: Export Procedure Guide Book for Cambodia SMEs (January 2009)

3.2. Certificate of Origin

3.2.1. Introduction

A Certificate of Origin (C/O) is an official document used 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.

At the time of carrying out the formalities for exporting the products under preferential treatment, the exporter or his authorized representative shall submit a written application

for the Certificate of Origin together with appropriate supporting documents proving that the products to be exported qualify for the issuance of a Certificate of Origin.

There are two type of Certificate of Origin:

- Non-Preferential
- Preferential

3.2.2. Countries Required C/O

- Cambodia issues various different types of Preferential Tariff Certificate of Origin:
- ASEAN-Australia- New Zealand: Certificate of Origin form AANZ
- China: Certificate of Origin form AC
- India: Certificate of Origin form AI
- Korea: Certificate of Origin form AK
- Japan: Certificate of Origin form AJ
- Vietnam: Certificate of Origin form S
- General System of Preferences (LDC and LLDC): Certificate of Origin form A
- Non-Preferential Tariff: Can be issued using Certificate of Origin form N

3.2.3. How to apply for C/O

The exporters need to apply for C/O at the Export-Import Department, Ministry of Commerce. 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.

(Article 4)

The procedures of the application for Certificate of Origin shall be set as follows:

1- Export by sea

A. Garment goods, textile products, footwear and other commodities (apparels) such as bag, hat etc.

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee
- A receipt of payment of public service fee
- Invoice
- Packing list
- Bill of Lading
- Joint Inspection Report of the exported textile goods by the GDCE and General Department of CAMCONTROL
- Cambodia Outward Declaration
- Company's Letter of Authorization of its representative

B. Other products other than garment, textile, footwear and apparels

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee
- A receipt of payment of public service fee
- Invoice
- Packing list
- Bill of Lading
- Cambodia Outward Declaration
- Certificate of Quantities of export goods by CAMCONTROL (CQ)
- Customs Declaration by the GDCE (CD)
- Company's relevant documents that can prove the origin of the goods
- Export license (for goods required to have export license)
- Company's Letter of Authorization of its representative

C. Goods of small handicraft and agriculture

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee, if required by any regulation
- Invoice
- Packing list

- Bill of Lading
- Cambodia Outward Declaration
- Certificate of Quantities of export goods by CAMCONTROL (CQ)
- Customs Declaration by the GDCE (CD)
- Company's relevant documents that can prove the origin of the goods (in case of milled rice and agricultural products in which some are sensitive)
- Company's Letter of Authorization of its representative

D. Goods of garment with multi-cam color, green color (dark green color) and army green color

The procedure and documents required for the export and import of this type of goods shall be implemented in accordance with the Prakas of the Ministry of Commerce which is in effect.

2- Export by air

A. Garment goods, textile product, footwear, and other commodities (apparels) such as bag, hat etc.

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee
- A receipt of payment of public service fee
- Invoice
- Packing list
- Company's Letter of Authorization of its representative

After having exported the goods, the following documents must be submitted further:

- Airway Bill
- Joint Inspection Report of the exported textile goods by the GDCE and General Department of CAMCONTROL
- Cambodia Outward Declaration

B. Goods of small handicraft and agriculture

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee, if required by any regulation
- Invoice
- Packing list
- Company's Letter of Authorization of its representative

After having exported the goods, the following documents must be submitted further:

- Airway Bill
- Joint Inspection Report of the export goods by the GDCE and General Department of CAMCONTROL
- Cambodia Outward Declaration

3- Garment goods, textile product and product made of leather and other products that are transported by truck across Cambodian border to be shipped later by air in the neighboring country (Land-Air)

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee
- A receipt of payment of public service fee
- Invoice
- Packing list
- Report by production inspection officers and export products required to have at least 50% of the total quantities applied for export (for goods applied for export in a large quantity) and at least 20% for goods applied for export in a small quantity, which the factory can finish the production within only 2 days.

- Company's Letter of Authorization of its representative

Within 30 days at the latest after obtaining the Certificate of Origin, the exporter must submit further the following documents:

- Airway Bill
- Joint Inspection Report of the exported textile goods by the GDCE and General Department of CAMCONTROL
- Cambodia Outward Declaration

4- Export by truck

A- Garment goods, textile product, footwear and other commodities (apparels) such as bag, hat etc.:

- Application form for Certificate of Origin by the company
- A copy of cheque proving the payment of administrative fee and Export Management Fee
- A receipt of payment of public service fee
- Invoice
- Packing list
- Joint Inspection Report of the exported textile goods by the GDCE and General Department of CAMCONTROL
- Cambodia Outward Declaration
- Company's Letter of Authorization of its representative

B- Goods of small handicraft and agriculture

- Application form for Certificate of Origin by the company
- Invoice
- Packing list
- Bill of Lading
- Cambodia Outward Declaration

After having exported the goods, the following documents must be submitted further:

- Certificate of Quantities of export goods by CAMCONTROL (CQ)
- Customs Declaration by the GDCE (CD)
- A copy of cheque proving the payment of administrative fee
- Proof document proving the origin of the goods that the company buys (in case of milled rice and agricultural products in which some are sensitive)

(Article 5)

The total timeframe must be set at the maximum of 16 hours of working hours for the technical department at the Ministry of Commerce, Single Window stationed at the Council for the Development of Cambodia and the Ministry of Commerce's representative offices stationed at special economic zone administration and this timeframe of the process of Certificate of Origin issuance does not include the timeframe for preparing document and formality by the company or legal representative of the company. The total timeframe above is allocated on an actual basis for officers relevant to the production work and can be revised by the Minister of Commerce if necessary and when the automatic system of the issuance of Certificate of Origin is introduced officially.

(Article 6)

The inspection of the production and export goods must be conducted by technical officers of the Ministry of Commerce at the location of the production, at the place of goods collection or at the goods warehouse at the request of the company or exporter or according to the necessity of the technical department in which:

- For agricultural goods and products processed out of produce: the inspection must be conducted before applying for Certificate of Origin. If necessary, the company or exporter who used to be permitted for export several times already can make a request to the Minister of Commerce for an inspection after applying for Certificate of Origin.

- For garment goods, textile and product made of leather: the inspection must be conducted after applying for Certificate of Origin but not later than 30 days from the day of the issuance of Certificate of Origin.

(Article 7)

The collection of revenues from the Administrative Fee must be made by cheque at the Accounting Department of the Ministry of Commerce in accordance with the Joint Prakas 985 MoEF dated 28 December 2012 on Public Service Provided by the Ministry of Commerce.

The collection of revenues from Export Management Fee (EMF) must be made in accordance with the Joint Prakas between the Ministry of Commerce and the Ministry of Economy and Finance which is in effect.

(Article 8)

The payment of public service fee must be made in accordance with the Joint Prakas 985 MoEF dated 28 December 2012 on Public Service Provided by the Ministry of Commerce.

(Article 9)

The General Department of International Trade has a role as focal point by having the Trade Preferences Department as its aide in checking, searching, verifying and clarifying the accuracy of the Certificate of Origin in case

there is any question by the import country. The detailed procedure related to the inspection and preparation of clarification documents will be determined by a separate Prakas of the Ministry of Commerce.

(Article 10)

The procedures of stock matching between the imported raw materials and the exported goods must be conducted at the Trade Preferences Department in accordance with the Sub-decree 91 OrNkr.BK dated 01 August 2007, Instruction of the Ministry of Commerce 0051 MOC/SM 2011 dated 10 January 2011 and Trade Facilitation Policy of the Royal Government.

(Article 11)

The exporter must hurry to apply for Certificate of Origin and fulfill the obligation of payment to the national budget not later than 30 days after the goods have been exported, counting from the date recorded in the Joint Inspection Report by the General Department of Customs and Excise of Cambodia and the General Department of CAMCONTROL.

The exporter who is late or fails to fulfill the formality of applying for Certificate of Origin must receive a fine or a temporary suspension of export. The Ministry of Commerce will check the possibility of re-allowing the export when the exporter has fulfilled the formality of applying for Certificate of Origin and has made due payments to the national budget and pay all fines.

3.2.4. Fee of Applying for C/O

Generally, the companies that apply for C/O need to pay for Export Management Fee (EMF), Public

Service and Administrative Fee. The payment is illustrated as below:

C/O	Public Service Fee	EMF
Form N	38 USD	Annex 1 of Prakas No 1643 MEF dated 16 December 2014 on amendment of public services
Form A	58 USD	
Other forms	58 USD	

For garment products under 2,000 PCS or Footwear under 200 PRS:

C/O	Public Service Fee	EMF
Form N	18 USD	Annex 1 of Prakas No 1643 MEF dated 16 December 2014 on amendment of public services
Form A	23 USD	
Other forms	23 USD	

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.

3.2.5. Schedule to Launch the Automation System

Ministry of Commerce establishes the automation system to facilitate the business of the private sector. One of the main components of Automation System is the online application of C/O. The C/O Application Online is on the trial from June 15, 2014 for the companies that

do registration in this experiment project. The full automation system of C/O is expected to be carried out in early second semester of 2015. We strongly encourage all exporting companies to register to use this automation system.

3.2.6. Contact Information

<http://www.moc.gov.kh/en-us/certificate-of-origin>

3.3. Sanitary and Phytosanitary Certificate SPS

3.3.1. Definition

The primary requirement for importing agricultural products is the food safety and protection of human, animal or plant life or health from risks.

In order to guarantee the food safety and to prevent entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms, through trade activities, the governments of all countries had established **laws, regulations and standards** to protect human or animal life or health (Sanitary Measure) and to protect plant life or health (Phytosanitary Measure).

The objectives of phytosanitary are 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 owners of goods which are subject to be checked under phytosanitary measures, who import to/export from and transport within Cambodia shall request the phytosanitary check and follow the phytosanitary measures.

Measures to be implemented:

- to protect animal or plant life or health within the territory of the Member from risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms.
- to protect human or animal life or health within the territory of the Member from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs.

3.3.2. Purpose

To protect human life or health within the territory of the Member from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests.

To prevent or limit other damage within the territory of the Member from the entry, establishment or spread of pests.

3.3.3. Protection

Sanitary or phytosanitary measures which conform to international standards, guidelines or recommendations shall be deemed to be necessary to protect human, animal or plant life or health.

3.3.4. The Goods subject to the check

The goods subject to the 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

3.3.5. Sanitary and Phytosanitary Certificate Request Procedure

Sanitary and Phytosanitary Certificate (SPS) are often required by importing countries when exporting fresh fruits, vegetables, fish, live animal and other products. This certificate certifies that the product is free from injurious pests which could damage crops. It is exporter's responsibility to ensure that the Sanitary and Phytosanitary conditions are met.

The goods subject to the 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

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 owners of goods which are subject to be checked under phytosanitary measures shall follow the phytosanitary measures as follows:

- Must make correct declaration of goods
- Must obtain Phytosanitary Certificate

- Must pack goods safely and guarantee no crack or pierce or spill out while on the way of transporting
- Must keep or transport goods only in the direction permitted by Phytosanitary competent agency. In case of goods need to be keep or transported or loaded at outside of the permitted direction, need to request for another permit from Phytosanitary competent agency.

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. During this period, phytosanitary competent official must complete checking and implementing phytosanitary measures.

For goods that is subject to the phytosanitary check and not match to condition of phytosanitary measures of the importing country, the owner of goods must implement the phytosanitary measures in accordance with the measures of importing country.

The payment for above phytosanitary measures is responsibility of the owner of goods.

Individual or Legal person who requested for phytosanitary check on his/her goods has to pay for phytosanitary check service charge. If the prevention measures are requested, he/she need to pay for service charge of prevention measures. Those service charges will be paid into National Budget via phytosanitary competent agency.

Service charges on phytosanitary check and prevention measures are defined by the joint sub-decree between Minister of Agriculture, Forestry and Fisheries and Minister of Economic and Finance.

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.

Sanitary and Phytosanitary Certificate Procedure

Step 1	<p>Submit Request Letter</p> <p>Submit Request Letter for Sanitary and Phytosanitary Certificate and request to have goods checked by officer of Department of Agronomy and Agriculture Land Improvement, Ministry of Agriculture, Forestry and Fisheries. You will also need to provide: Packing List, Commercial Invoice, Patent License, VAT Certificate, Commercial Registration Certificate and Request Letter.</p>
Step 2	<p>Follow compliance guidelines</p> <p>The Ministry of Agriculture, Forestry and Fisheries will then make a risk assessment based on your product's risk for pest, your company profiles and the source of origin. After that ministry will instruct and explain about conditions for exporting these goods from Cambodia.</p>
Step 3	<p>Determine importing country testing and inspection requirements</p> <p>Ministry of Agriculture, Forestry and Fisheries will check the testing and inspection requirements of the importing country. Then the ministry will prepare to conduct inspection and test following to those requirements.</p>

Step 4	<p>Perform Laboratory testing</p> <p>In necessary case, the Ministry will prepare to do the Test in laboratory at least 15 days prior to exporting day (only working day). The Ministry is equipped to perform all necessary tests but your advance notice is recommended.</p>
Step 5	<p>Fumigation on Export products</p> <p>In necessary case, the Ministry will prepare to do Fumigation on goods at least 15 days prior to exporting day (working day only). The Fumigation process can take up to 96 hours. After the Fumigation, the Ministry will also have a follow-up inspection to determine if re-fumigation is necessary.</p>
Step 6	<p>Export Product</p> <p>The Ministry will then issue a Fumigation Certificate. This certificate certifies type of goods, date and type of dosage used for the treatment. After you received a Fumigation Certificate, it means that your goods are Sanitary and Phytosanitary (SPS) certified and is ready for export.</p>

Remarks

- Diagnosing disease takes 1 day to 5 days
- Fumigation Process takes 3 days to 7 days

3.3.6. Further Information of Phytosanitary Measures

Please read instruction and principle about legislative measure for Phytosanitary Certificate Procedure (for export or continuous export) or go through website of International Plants Protection Agreement:

<http://www.ippc.int/ipp/en/default.jsp>

or website of World Trade Organization on Sanitary and Phytosanitary Measures:

http://www.wto.org/english/tratpo_e/sps_tratp_e.htm

or contact directly to General Department of Agriculture (Department of Sanitary and Phytosanitary Plants Protection)

Address: Building #54B-49S, corner of St.395 and St.656, Sangkat Teuk Laak, Khan Tuol Kork, Phnom Penh

Tel: (855) 23 885 482

Fax: (855) 23 238 832/ 267

E-mail: ppspsdcam@online.com.kh

Appendix

- A. The Law and Regulation relating to Customs Clearance
- B. The List of Fee and Charges
- C. The List of Contacts of the Other Ministries
- D. Reference

Appendix A. The Law and Regulation relating to Customs Clearance

List of Reference Laws and Regulations

Law

1. Law on investment of Cambodia declared by Reach Kram No 03 NS dated on 05 August 1994
2. Law on amendment of law on investment of Cambodia declared by Reach Kram No NS.RKM.0303.009 dated on 24 March 2003
3. Law on Customs declared by Reach Kram No NS.RKM.0707.017 dated on 20 July 2007

Sub-Decree

4. Circular No.3, of the Royal Government of Cambodia, dated June 12, 1997 on rules and procedures in applying for importation of equipment and materials with exemption of duties and taxes under Grant Aid, Loan, and Humanitarian Aid framework
5. Sub-decree No. 111.ANK.BK dated 27 September 2005, on the Implementation of Law on amendment of law on investment of Cambodia
6. Sub-decree No. 148.ANK.BK dated 29 December 2005, on the Establishment and Management of Special Economic Zone
7. Sub-decree No. 209 ANK.BK dated 31 December 2007, on the Enforcement of the List of Prohibited and Restricted Goods
8. Sub-decree No. 134 dated 15 September 2008 on Upgrading Customs and Excise Department, Taxation Department, and Treasury Department to General Department of Customs and Excises of Cambodia, General Department of Taxation and General Department of Treasury under the Ministry of Economy and Finance.
9. Sub-decree No. 152 dated 06 October 2008, on the establishment of Department of Excise, Department of Customs Regime and Department of Free Zone Management under the General Department of Customs and Excise of Cambodia
10. Sub-decree No. 208/ANK/BK dated 08 September 2011, on the amendment of note II of annex 2 of Sub-decree No. 209/ANK/BK dated 31 December 2007, on the Enforcement of the list of prohibited and restricted goods
11. Sub-decree No. 488 dated 16 October 20013, on the Organization and Functioning of the Ministry of Economy and Finance

Prakas and Letters issued by Ministries

12. Prakas No. 013 MEF dated 17 February 1998, on the legal procedure in export-import of foreign currencies
13. Circular No. 110 dated January 27, 1999 on the Implementation of VAT on inputs imported by export garment factories
14. Letter No. 005MEF dated 02 March 2000, on the revised form of imports of goods through duty free shop
15. Letter No. 6738 KBT.SA/CHB.K5 dated 31December 2003, on the permission to export foreigner corpses from the Kingdom of Cambodia.
16. Instruction No. 016 MEF.MOC dated 18 August 2004 notification on simplification of export procedures on textile products.
17. Instruction No.4683 MEF dated 10 September 2004 on establishment of the conjoint office between the Customs and Excise Unit and CAMCONTROL Unit.
18. Instruction No. 009 MEF Dated 01 December 2005, On the Management of Non-commercial goods
19. Prakas No. 1447 MEF dated 26 December 2007, on the Provisions and Procedures on Customs Declaration.
20. Prakas No. 105. MEF dated 15 February 2008 on Management of Goods Exempted from Duties and Taxes
21. Prakas No. 106 MEF dated 15 February 2008, on the temporary customs storage
22. Prakas No 107 MEF dated 15 February 2008, on reporting, movement, storage and transportation of exported goods
23. Prakas No. 109 MEF dated 15 February 2008, on the Management of Unclaimed Goods
24. Prakas No 111 MEF.PRK dated 15 February 2008, on the authorization to carry out the customs formalities outside of the customs offices
25. Prakas No. 114 MEF dated 15 February 2008, on Determination of Exempted Goods
26. Prakas No.116 MEF dated 15 February 2008, on Customs Bonded Warehouse
27. Prakas No 387 MEF dated on 22 May 2008 on the determination of customs valuation of imported goods
28. Prakas No.508 MEF dated 01 July 2008, on customs transit
29. Prakas No. 734MEF dated 11 September 2008, on special Customs Procedures Implemented in the Special Economic Zone
30. Prakas No. 928 MEF dated on 2 October 2008 on Temporary Importation Under the Temporary Admission
31. Letter No. 3841.MEF dated 02 July 2009, on value added tax exemption for investors in Special Economic Zone
32. Prakas No. 618 MEF dated 24 July 2009, on Customs Offense Mediation
33. Circular No. 007. Dated 29 December 2009 on the management of small size imported and exported goods
34. Prakas No. 907 MEF dated 09 October 2009 on the determination of transition fee on some goods under legislative procedure of customs transit

35. Prakas No.389 MEF dated 17 June 2010 on organization and functioning of local customs unit.
36. Letter No. 3725 MEF dated 17 June 2010, on continuation of value added tax suspension for investors in Special Economic zone until new decision
37. Prakas No. 569 MEF dated 19 Aug 2010, on Inspection on export import and transportation means
38. Prakas No. 570 MEF dated 19 August 2010 on Complaining Procedures against Customs Record.
39. Prakas No. 572 MEF dated 19 August 2010, on reporting of goods at the time of arrival at customs territory of Kingdom of Cambodia.
40. Instruction No 1114 GDCE dated on 28 November 2011, on revising the procedures and the requirement of documents for customs clearance of the re-importation of the Textile and garment products after exportation.
41. Decision 009 MEF dated 31 August 2011, on the establishment and functioning of Customs Risk Management Data System
42. Circular 004 MEF dated 24 Jul 2012, on the procedures for low values goods (De Minimis)
43. Prakas No. 002 MEF dated on 04th January 2013, on Implementation of Advance Ruling on Tariff Classification, Customs Valuation and Origin of the Goods.
44. Prakas No 452 MEF dated 11 April 2013, on High Compliant Trader Incentive Mechanism
45. Inter-Ministerial Prakas No. 581 MEF dated 10 June 10 2013, on Procedures for the Application to Import Materials, Machineries, Vehicles and Petroleum of the Grant Aid with Duties and Taxes Borne by the Royal Government of Cambodia under Grant Aid Framework
46. Prakas No. 311 MEF dated 19 March 2014, 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 Handbag Industry and Hat Industry
47. Prakas No. 316 MEF dated 19 March 2014, on the amendment of fee on inspection goods by scanning machine.
48. Authorization Letter 005 of the Ministry of Economy and Finance dated 6 April, 2015

Instructions and Letters issued by the General Department of Customs and Excise

49. Instruction No.822 CE dated 12 November 2003 on modification of using customs (bullet) seals for sealing the container door loading exported or imported goods for necessary cases of export office, dry ports and Sihanouk Ville Branch of Customs and Excise.
50. Letter No.1006 dated December 21 , 2004 on the management form of imports of goods through duty free shop
51. Instruction No.741 CE dated 20 July 2007 on exported garment products to the EU Markets Sold to DuPont Co., Ltd no need to mark "Made in Cambodia" on the carton boxes.
52. Instruction No.790 CED dated 28 August 2008, on the procedures for customs transit
53. Instruction No. 835 CE dated 05 September 2008 on withdrawing the samples of the exported garment and textile products.
54. Instruction No. 1090 GDCE dated 17 October 2008, on the implementation of procedures on customs transit

55. Instruction No 548 GDCE dated on 22 May 2009, on the customs procedures for reimport of exported garment products
56. Instruction NO.1308 GDCE dated 24 November 2009, on Detail Procedures and Responsibilities in Functioning Customs Declaration (Single Administrative Documents-SAD) through electronic mean.
57. Instruction No.546 GDCE dated 30 June 2011, on the additional trade facilitation for private investors in completion of customs formalities
58. Letter No. 653 GDCE dated 02 August 2011, on facilitation of Customs procedures for transporting goods out of Special Economic Zone to dry ports to consolidate into the container with other goods to be exported to foreign countries
59. Instruction No 1114 GDCE dated on 28 November 2011, on the amendment of procedures and documents required for reimport of garment products
60. Instruction No 345 GDCE dated on 03rd April 2013, on the Implementation of Advance Ruling on Tariff Classification.
61. Instruction No 346 GDCE dated on 03rd April 2013, on the Implementation of Advance Ruling on Customs Valuation.
62. Letter 1358 GDCE dated 23 December 2013, on more facilitation for investors in SEZ
63. Decision No 278 GDCE Dated 27 February 2014 on Incentive package for the best traders group
64. Decision No 279 GDCE Dated 27 February 2014 on the establishment of best traders management unit
65. Letter No. 516 GDCE dated 02 April 2014 on the exemption on customs processing fee (CPS) on exporting rice
66. Letter No. 790 GDCE dated 13 June 2014, on offering treatment to promote traders from 8 companies those are members of Best Traders.
67. Letter No. 1489 GDCE dated 21 July 2014, on the investigation of compliancy of Best Trader Group
68. Letter No. 1867 GDCE dated 12 September 2014, on the improvement of efficiency on implementation of customs procedures at dry ports
69. Letter No. 1868 GDCE dated 12 September 2014, on strengthening efficiency of the usage of the scanning machine at Bavet Customs and Excise Branch
70. Instruction No 2175 GDCE dated on 19th November 2014, on the Implementation of Advance Ruling on Origin of the Goods
71. Letter No. 393 GDCE dated March 26, 2015 on Implementation of special tax on some import goods which are the input of the production of the garment sector and garment supporting industry
72. Letter 758 GDCE dated 04 June 2015, on the implementation Special Tax on import of production inputs of Export Qualified Investment Project (QIP) and Supporting Industry QIP
73. Letter No. 773 GDCE Dated 05 June 2015, on limiting the quantity of goods or personal effect, which can exempt duties and taxes for passenger, transportation's staff and those who cross the border.

Appendix B. The List of Fee and Charges

No.	Description	Fee	Service Fee	Processing Time (Working Days)
1	Customs Processing Fee (CPF)			
	A Container (20 feet+)	Riel 60,000	0	1-2 days
	A Customs Declaration on certain petroleum products	Riel 60,000	0	1-2 days
	A Customs Declaration on goods outside container of in a small container <20 feet	Riel 40,000	0	1-2 days
2	Container Checking Fee through TH-SCAN system			
	A Container (<40 feet)	US\$20	0	1-2 days
	A Container (>40 feet)	US\$32	0	1-2 days
3	Provisional Customs Stock of Merchandise License Fee (one year)	Riel 20,000,000	0	1-2 days
4	Fee for keeping goods in Provisional Customs Stock of Merchandise after the expired date (one day)	0.1% of the cost for calculating customs tax	0	Immediately
5	Passing Fee			
	A Cow, Buffalo and Horse (alive)	Riel 20,000	0	Immediately
	A Pig, Sheep and Goat (alive)	Riel 5,000	0	Immediately
	Bird (Chicken, Duck...) (A kilogram)	Riel 500	0	Immediately
	Fishery Products (A kilogram)	Riel 500	0	Immediately
6	Cost for Imported Goods for Duty Free Shop	10% of the cost for calculating customs tax	0	Immediately
7	Selling Customs Declaration (one edition)	0	Riel 15,000	Immediately
8	Automobile Stamp Tax (one edition)	0	Riel 30,000	1-2 days
9	Selling Customs tax Seal (one page)	0	Riel 50	1-2 days
10	Stamp Duty (Stick on cigarette box) (one page)	0	Riel 4.2	1-2 days
11	Transportation of Stock Permission Letter (one page)	0	Riel 500	Immediately
12	Selling Container Seal (one)	0	Riel 8,000	1-2 days

Appendix C. The List of Contacts of the Other Ministries

Ministry of Commerce

No. 19-61, MOC Road (113B Road) turn from Confederation de la Russie Blvd (110), Phum Teuk Thla, Sangkat Teuk Thla, Khan Sen Sok, 12102, Phnom Penh

Tel & Fax : 023 866 425

Mobile Phone : 077 677 599 / 012 934 088

E-Mail : info@moc.gov.kh/ moc.gov.kh@gmail.com

Website : www.moc.gov.kh

General Department of CAMCONTROL

Known As: Cambodia Import Export Inspection & Fraud Repression Directorate General

Kdey Takoy Village, Sangkat Veal Sbov, Khan Chbar Ampov, Phnom Penh

Tel & Fax : 023 426 166

E-Mail : ccdg@camcontrol.gov.kh

Website : www.camcontrol.gov.kh

Ministry of Economy & Finance

No. 60, Daun Penh (St. 92), corner of Ang Eng (St. 13) & Preah Mohaksatriany Kossomak (St. 106), 12202, Phnom Penh

Tel : 023 724 664

Fax : 023 427 798

E-Mail : admin@mef.gov.kh

Website : www.mef.gov.kh

General Department of Customs & Excise

No. 6-8, Preah Norodom Blvd (41), 12202 Phnom Penh

Tel & Fax : 023 214065

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

Website : www.customs.gov.kh

Ministry of Environment

No. 48, Preah Sihanouk Blvd (274), 12301 Phnom Penh

Tel : 023 427 894 / 023 213 908 / 023 212 994

Fax : 023 427 844 / 023 212 540 / 023 215 925

E-Mail : moe-cabinet@camnet.com.kh

Website : www.moe.gov.kh

[Ministry of Health](#)

Building No.80 St. Samdech Penn Nouth, Sangkat Beung Kak III, Khan Toul Kork, Phnom Penh. Cambodia

Tel : 023 881 408 / 023 426 672 / 023 881 405 / 023 725 833 / 023 882 317 / 023 881 409
Fax : 023 426 841
E-Mail : PR@online.com.kh
E-Mail : moh_cabinet@online.com.kh
Website : www.moh.gov.kh

[Ministry of Industry & Handicraft](#)

No. 45, Preah Norodom Blvd (41), 12205 Phnom Penh

Tel : 023 222 504
E-Mail : industry@camnet.com.kh
Website : www.mih.gov.kh

[Ministry of Interior](#)

No. 275, Preah Norodom Blvd (41), 12301 Phnom Penh

Tel : 023 726 239 / 023 726 053
Tel & Fax : 023 721 905 / 023 721 190
Fax : 023 726 052 / 023 219 390
E-Mail : moi@interior.gov.kh
E-Mail : info@interior.gov.kh
Website : www.interior.gov.kh

[Ministry of Agriculture Forestry & Fisheries](#)

No. 200, Preah Norodom Blvd (41), 12301 Phnom Penh

Tel : 023 726 128 / 023 726 129
Fax : 023 217 320
E-Mail : info@maff.gov.kh
Website : www.maff.gov.kh

[Ministry of Foreign Affairs & International Cooperation](#)

No. 3, Akak Mohasena Pakdey Decho Hun Sen (St.), 12301 Phnom Penh

Tel : 023 214 441 / 023 216 122 / 023 224 973
Fax : 023 216 144 / 023 216 141
E-Mail : mfaic@mfa.gov.kh
Website : www.mfaic.gov.kh

[Ministry of Post & Telecommunication \(MPTC\)](#)

AngEng (St. 13), corner of Ang Non (St. 102), 12202 Phnom Penh

Tel : 023724 809 / 023 428 246
E-mail : info@mptc.gov.kh
Website : www.mptc.gov.kh

CDC - Council for the Development of Cambodia

Preah Sisowath Quay, Government Palace, Sangkat Wat Phnom, Khan Daun Penh, 12202 Phnom Penh

Tel& Fax : 023 427 597 / 023 423 954

E-Mail : info@cambodiainvestment.gov.kh

Website : www.cambodiainvestment.gov.kh

National Bank of Cambodia

No. 22-24, Preah Norodom Blvd (41), 12203 Phnom Penh

Tel : 023 722 221 / 023 725 005

Fax : 023 426 117

E-Mail : info@nbc.org.kh

E-Mail : nbc@online.com.kh

P.O. Box : 25

Website : www.nbc.org.kh

Sihanoukville Autonomous Port (PAS)

Akak Mohasena Pakdey Decho Hun Sen (St.), Sangkat No. 3, Sihanoukville, Preah Sihanouk

Tel : 034 933 511 / 034 933 416

Fax : 034 933 693

Mobile Phone : 016 345 228 / 012 831 784

E-Mail : pasinfo@pas.gov.kh

E-Mail : spsez@pas.gov.kh

Website : www.pas.gov.kh

Phnom Penh Autonomous Port (PPAP)

No. 649, Preah Sisowath Quay, 12201 Phnom Penh

Tel : 023 427 762

Tel & Fax : 023 427 802

E-Mail : ppapmpwt@online.com.kh

Website : www.ppap.com.kh

Appendix D. Reference

1. General Department of Customs and Excise, Ministry of Economy and Finance
N°: 6-8, Preah Norodom Blvd., Sangkat Phsar Thmei III, Khan Daun Penh, Phnom Penh, Cambodia.
Tel : +855 23214065
Fax : +855 23214065
E-mail : info-pru@customs.gov.kh
Website: www.customs.gov.kh
2. Ministry of Commerce
Lot 19-61, MOC Road (113B Road), turn in from Russian Blvd, Phum Teuk Thla, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia
023 866 425/077 677 599
E-mail: moc.gov.kh@gmail.com
Website: <http://www.moc.gov.kh/en-us/certificate-of-origin>
Export Procedures Guidebook (New Version)
3. Council for Development of Cambodia
Cambodia Investment Guidebook
<http://www.cambodiainvestment.gov.kh/#fragment-3-tab>
4. Garment Manufacturers Association in Cambodia (GMAC)
<http://www.gmac-cambodia.org/legal/>



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