



# Trade Facilitation Customs' Experience

Cross-Border Trade Facilitation in Cambodia  
Video Conference, 28-29 July 2021





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2. Trade Facilitation by GDCE



# Trade Facilitation in General

## What is Trade Facilitation?

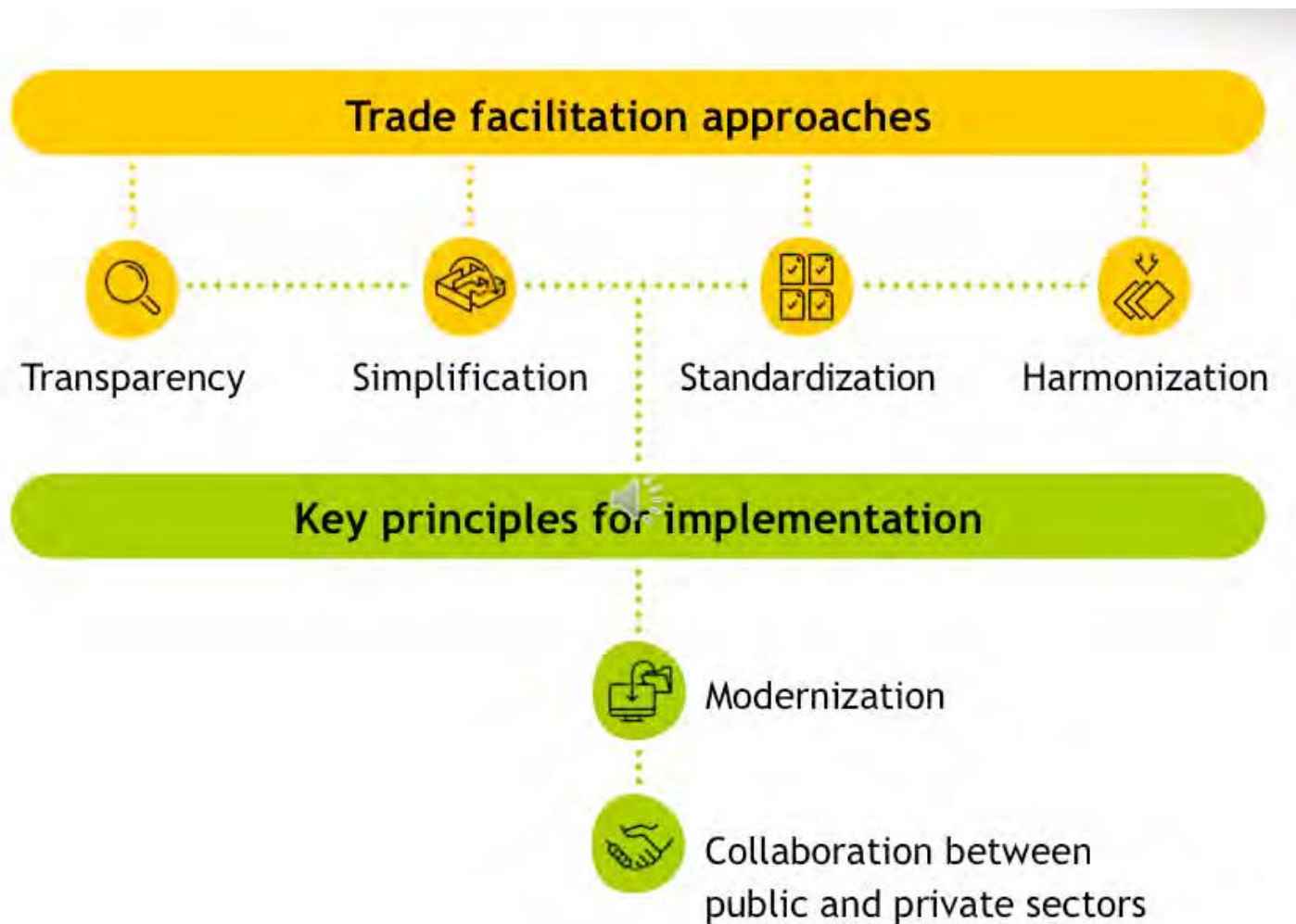
Trade facilitation is  
“the simplification and  
harmonization of international  
trade procedures”



Trade Procedures: “The activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade”



# Trade Facilitation in General

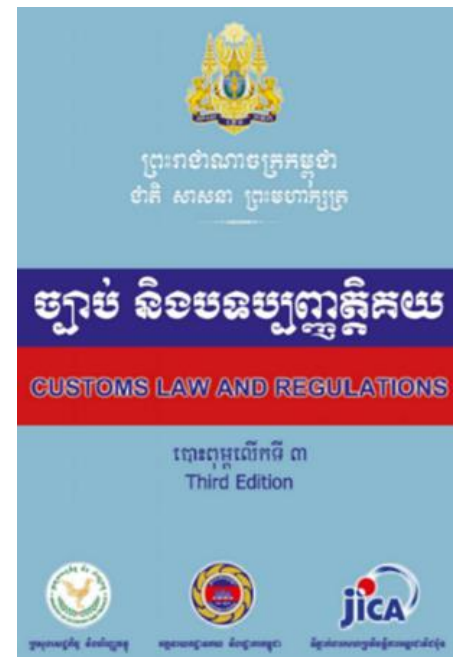
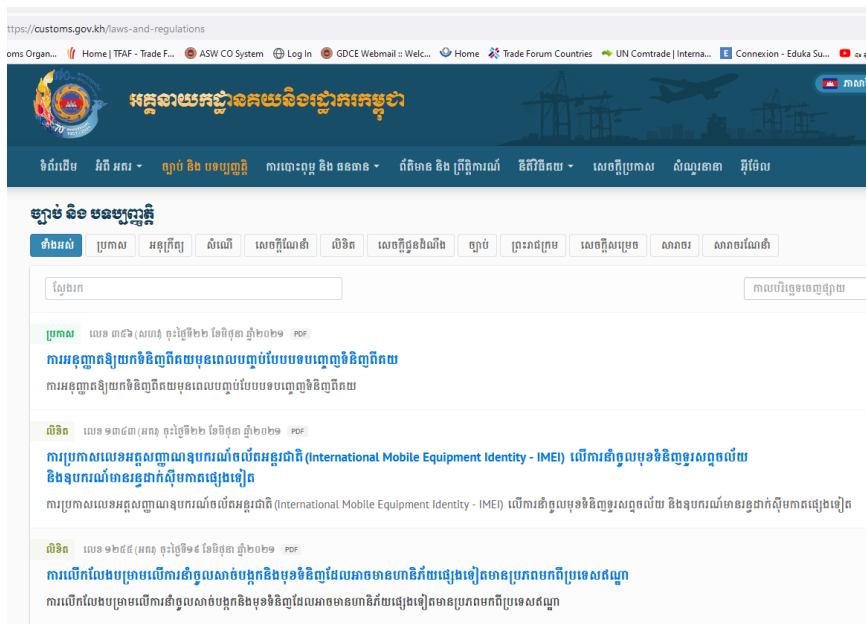




# Trade Facilitation in General



**Transparency:** promotes openness and accountability of a government's actions by disclosing information in a way that the public can readily access and use it.







# Trade Facilitation in General



## Simplification:

the process of eliminating all unnecessary elements and duplications in trade formalities, processes and procedures.

## Too many documents

Enquiry  
Order  
Despatch advice  
Collection order  
Payment order  
Documentary credit  
Forwarding instructions  
Forwarder's invoice  
Goods receipt  
Air waybill  
Road consignment note  
Rail consignment note  
Bill of lading  
Freight invoice  
Cargo manifest  
Export licence  
Exchange control document  
Phytosanitary certificate

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# Trade Facilitation in General



**Standardization:** The process of developing internationally agreed formats for practices and procedures, documents and information.

## Standard Setting Bodies



Member States are usually invited to contribute to the process of standard settings.



# Trade Facilitation in General



**Harmonization:** the alignment of national procedures, operations and documents with international conventions, standards and practices.

An example:  
Harmonization in  
trade facilitation is  
the UN Layout  
Key

The screenshot displays the ASYCUDAWorld software interface, specifically the 'ASYCUDA Customs Transit' form (T1). The form is structured into several sections, each with a numbered header (4, 5, 1, 2, 3, 4, 5, 14, 15, 16, 17, 21, 25, 27, 32, 33, 35, 38, 40, 44). The form is divided into two main columns: 'Copy for the office of destination' and 'Copy for return'. The 'Copy for the office of destination' section includes fields for '2 Exporter', '8 Consignee', '14 Declarant', '18 Identify and nationality of active means of transport at departure', '21 Identify and nationality of active means of transport at crossing the border', '25 Mode of transport', and '31 Packages and description of goods'. The 'Copy for return' section includes fields for '1 Declaration', '3 Forms', '5 Remits', '6 Hbr packages', '15 Country of export', '16 C.F.', '17 C.D.', '17 Country of destination', '32 Item', '33 Commodity code', '35 Gross mass (kg)', '38 Net mass (kg)', and '40 Summary declaration / Previous document'. The form is filled with data, including 'ROLAND Export', 'Fassland SA', 'Rue du Port', 'France', 'Switzerland', 'Geneve', 'CH', 'EU13', '2004/1032832A12', '01/04/2004', '18,000.00', '17,500.00', and 'Carrots'. The interface also shows a 'Document library' at the bottom left and a 'Transit T1' tab at the bottom center.

The UN layout Key has also been used to design the electronic forms used in many electronic Customs platforms, such as ASYCUDA, the UNCTAD's Automated System for Customs Data.





# Trade Facilitation in General

## Key Implementing Trade Facilitation



**Modernization:** is the application of new techniques, including Information and Communication Technology, in the administrative practices and procedures of all border agencies.



**Collaboration between public and private sectors:** Establishing a public–private dialogue provides stakeholders with a platform to voice their points of view, seek clarification and build trust and consensus. This helps to provide transparency and accountability, leading to effective trade facilitation reforms suggested and implemented.



# Trade Facilitation by GDCE

## DEVELOPMENT OF CAMBODIA'S MEMBERSHIP





# Trade Facilitation by GDCE

1. Customs Automation System
2. Risk Management System
3. Customs-Private Sector Partnership Mechanism
4. Best Trader Incentive Mechanism Program
5. National Single Window (NSW)
6. ASEAN Customs Transit System (ACTS)



# Trade Facilitation by GDCE

## Customs Automation System

### Automated System for Customs Data (ASYCUDA)

- ASYCUDA World Deployment since May 2008
- Rollout phase 2010-2013
- Key functions:
  - SAD processing, accounting
  - Manifest management
  - Risk management
  - Bonded Warehouse control and management
  - Statistical compilation and report

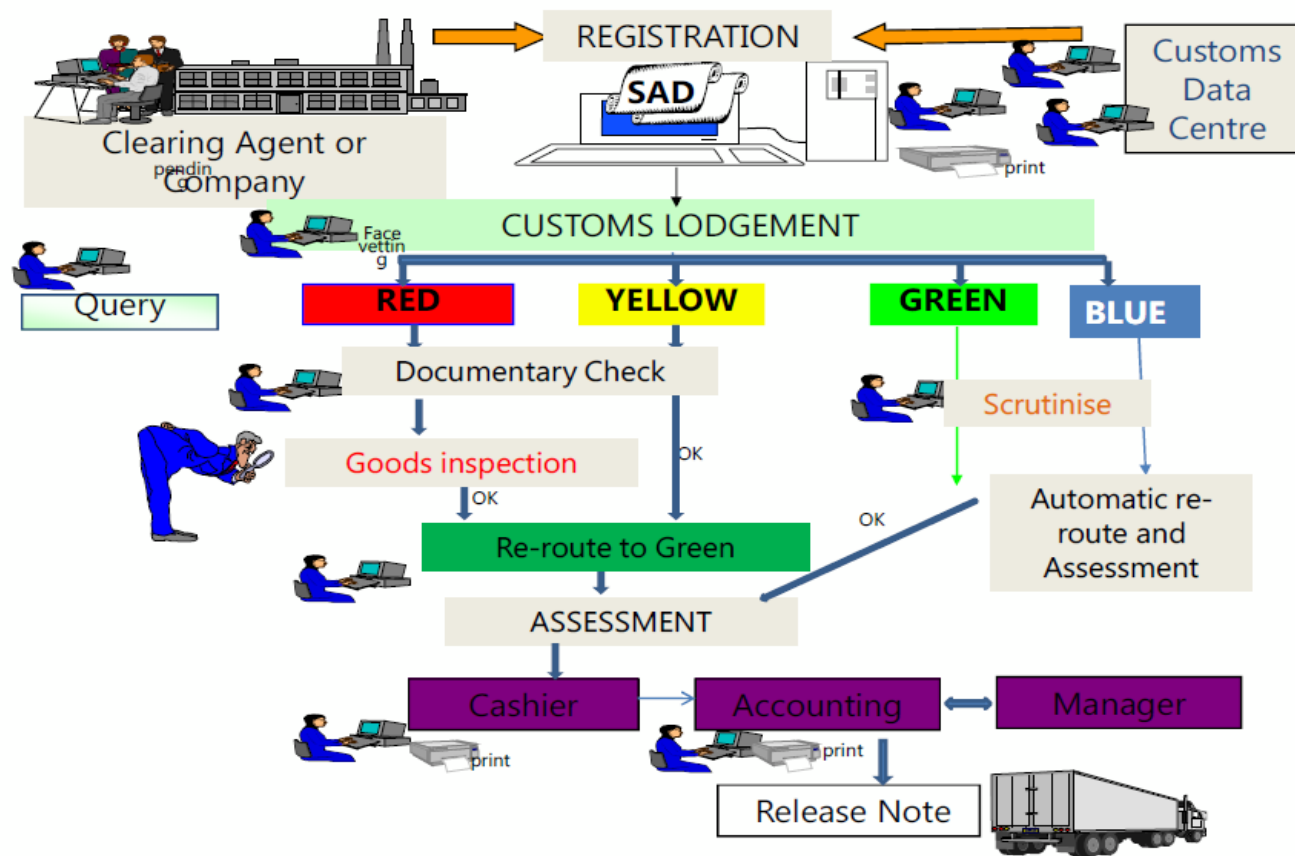
The screenshot displays the ASYCUDA software interface for a 'Detailed Declaration'. The form is structured with multiple sections and fields, including:

- 1 DECLARATION:** Contains fields for '3 Forms' (value 1) and '4 Load List' (value 1).
- 2 Exporter/Consignor:** MIC OVERSEA TRADE CORPORATION LIMITED Co., LTD, 80/2-4 Chan Road, Watphayakrai, Bang Kholeam, Bangkok 10120.
- 3 Items:** 1
- 4 Nbr packages:** 12,800
- 5 Reference number:** 2016 LTL05
- 6 Importer/Consignee:** PENSRI IMPORT EXPORT Co., Ltd., #40, Street 264, Sangkat Tonl Sangke, Khan Russei Keo, Phnom Penh, Cambodia.
- 7 Declaration details:** Includes '11 Country last' (TH), '12 Value details' (0), and '13 PSI' (0).
- 8 Country of Export:** Thailand
- 9 Country of Origin:** Thailand
- 10 Country of Destination:** Cambodia



# Trade Facilitation by GDCE

## Flowchart of Customs Clearance for Import- Export







# Trade Facilitation by GDCE

## **Documents to be attached to Customs Declaration:**

- Commercial Invoice
- Packing List
- VAT and Patent Certificates
- Customs Permit (If applicable)
- Certificate of origin (for preferential tariff)
- Transport Documents (HAWB, MAWB or B/L)
- Other necessary documents (If required)



# Trade Facilitation by GDCE

## Customs Risk Management

- Customs Risk Management was established in 2006 and officially started its operation in May 2007
- Customs Risk Management Database System (CRMDS) was established in 2011
- Main responsibility is to develop *Selectivity Criteria* for Risk Management purpose
- Imported/exported goods are selected by ASYCUDA into Red or Yellow or Blue or Green channels based on the Selectivity Criteria provided by the Risk



# Trade Facilitation by GDCE

## Customs-Private Sector Partnership Mechanism (CPPM)

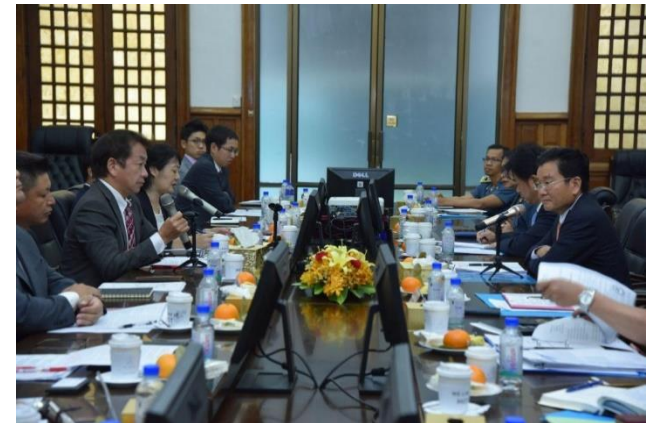
- Government Decision N° 506 dated 26<sup>th</sup> March 2009 to instruct MEF to establish CPPM
- MEF Prakas N° 906 dated 9<sup>th</sup> October 2009 to set up CPPM
- The CPPM composed of a Steering Committee and 4 Working Groups:
  - ✓ Customs-Export Oriented Garment Industry Working Group
  - ✓ Customs-Export Oriented Non-Garment Industry Working Group;
  - ✓ Customs-Domestic Market Oriented Business Working Group
  - ✓ Customs-Small Medium Enterprise (SME) working group.
- Objective is to improve mutual understanding and cooperation between customs and private sector by solving customs-related issues before proceeding to other mechanisms such as Government-Private Sector Forum.



# Trade Facilitation by GDCE

## Customs-Private Sector Partnership Mechanism (CPPM)

- 7 CPPM meetings up to 2018,
- Solved number of issues raised by Private Sector such as express consignment, import/export of medicine and medical supplies, Rice, Rubber etc.
- The settlements were acceptable and satisfied
- CPPM helps to improve trade facilitation through the enhancement of cooperation between customs and private sector, as well as to promote self-compliance.



2<sup>nd</sup> Customs-JBAC on 20 June 2018



# Trade Facilitation by GDCE

## Best Traders Incentives Mechanism (BTIM)

- ✓ The 17th RGC Public-Private Forum dated 04 March 2014 decided to implement Incentive Mechanism for High Compliance Traders in accordance with Article 1 of Law on Customs to promote Trade Facilitation,
- ✓ MEF Prakas No. 452 dated 11 April 2013 on Incentive Mechanism for High Compliance Traders,
- ✓ GDCE Decision to provide Incentive Treatments for BTIM,
- ✓ *The number of Best Traders increases from 17 in 2017 to 43 in 2021,*
- ✓ BTIM is a basic platform for the implementation of Authorized Economic Operators (AEO)





# Trade Facilitation by GDCE

## Best Traders Incentives Mechanism

- Provide priority without applying first come first serve principle
- Exemption from pre-verification of
  - Customs valuation
  - Certificate of origin
- Exemption from the obligation of
  - Transport permit
  - Customs seals for import and export goods
  - Container scanning
- Allow to Pre-Arrival Clearance Procedure
- Others Incentive may provide if possible.



# Trade Facilitation by GDCE

## Best Traders Incentives Mechanism

### **Monitoring and Evaluation**

Post Clearance Audit is conducted to check and verify:

- The Compliance of document keeping
- Mistake or discrepancy
- Level of cooperation with PCA officers
- The compliance with local taxation



# Trade Facilitation by GDCE

## National Single Window (NSW)



- The most effective tool for trade facilitation, which allow traders to submit documents only one time through an electronic gateway for clearance of their import/export,
- Blueprint for implementing NSW was published in March 2014 With assistance from the World Bank,
- In June 2014, a Legal Framework Analysis for NSW in Cambodia was conducted by the ASEAN Secretariat with the support of USAID.



# Trade Facilitation by GDCE

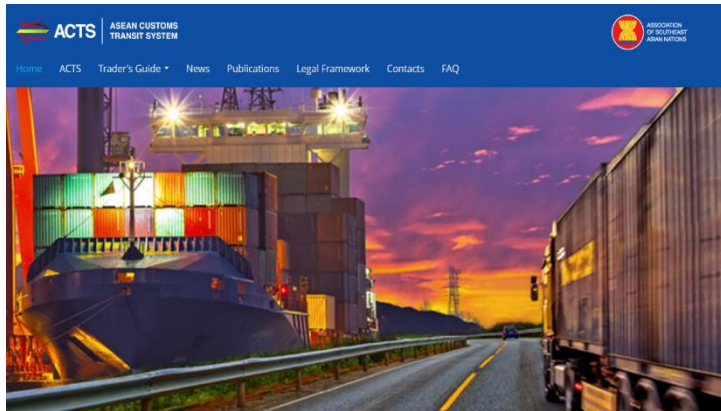
**The implementation of the Cambodia NSW is divided into 3 phases:**

- 1. Phase 1:** To connect with the ASEAN Single Window for the purpose of live exchange of data of e-ATIGA Form D, and ASEAN Customs Declaration Document (ACDD) by 2017.
  - The connection between the ASYCUDA system of the GDCE and the e-CO system of the Ministry of Commerce
  - ASEAN Single Window for live data exchange
- 2. Phase 2:** Integrate the connection with Line Agencies
- 3. Phase 3:** Implement the Full NSW.



# Trade Facilitation by GDCE

## ASEAN Customs Transit System (ACTS)



- ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) and the Blueprint of the ASEAN Economic Community (AEC) to introduce the free transit of goods in the ASEAN region,

- Support by the EU through the ARISE Plus project and officially launched in on 30 November 2020,
- 6 Participating Member States: Cambodia, Lao, Malaysia, Singapore, Thailand, and Vietnam
- Myanmar is participating later this year

<https://acts.asean.org/>





# Trade Facilitation by GDCE

## ASEAN Customs Transit System (ACTS)

- AFAFGIT Protocol 2 - Designation of Frontier Posts (Poipet, Bavet, Sihanoukville Port, and Trapeang Kreal)
- AFAFGIT Protocol 7 - Customs Transit System, and
- AFAFGIT Protocol 4 - Technical Requirements of Vehicles
- List of Prohibited/Restricted/Excluded (PRE) goods
- MEF Prakas No. 508 dated 01 July 2008 on the Customs Transit
- GDCE Instruction No. 790 CE dated 29 August 2008 on the Customs Transit Procedures
- GDCE Instruction No. 1090 GDCE dated 17 October 2008 on the Implementation of Customs Transit Procedures
- GDCE Notification dated 20 October 2021 on the Implementation of the ASEAN Customs Transit System (ACTS)



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# Trade Facilitation by GDCE

## ASEAN Customs Transit System (ACTS)

- GDCE ACTS Project Implementation Team
- Trader Registration: 4 Principals and consignees/consignors
- Guarantee banks: JTrust Royal, ACLEDA
- Issuance of the ASEAN Goods Vehicle Cross-Border Permit (AGVCBP)-MPWT
- Training courses: Customs Officials, one for Transport Authorities, and two for Transport Sectors



សៀវភៅអន្តរជាតិស្តីពីប្រព័ន្ធគ្រប់គ្រង  
ប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ (ACTS)

*"ប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ គឺជាប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ ដែលអនុញ្ញាតឱ្យប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ អាចស្វ័យប្រវត្តិការប្រតិបត្តិការ និងការត្រួតពិនិត្យ និងការត្រួតពិនិត្យប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ"*



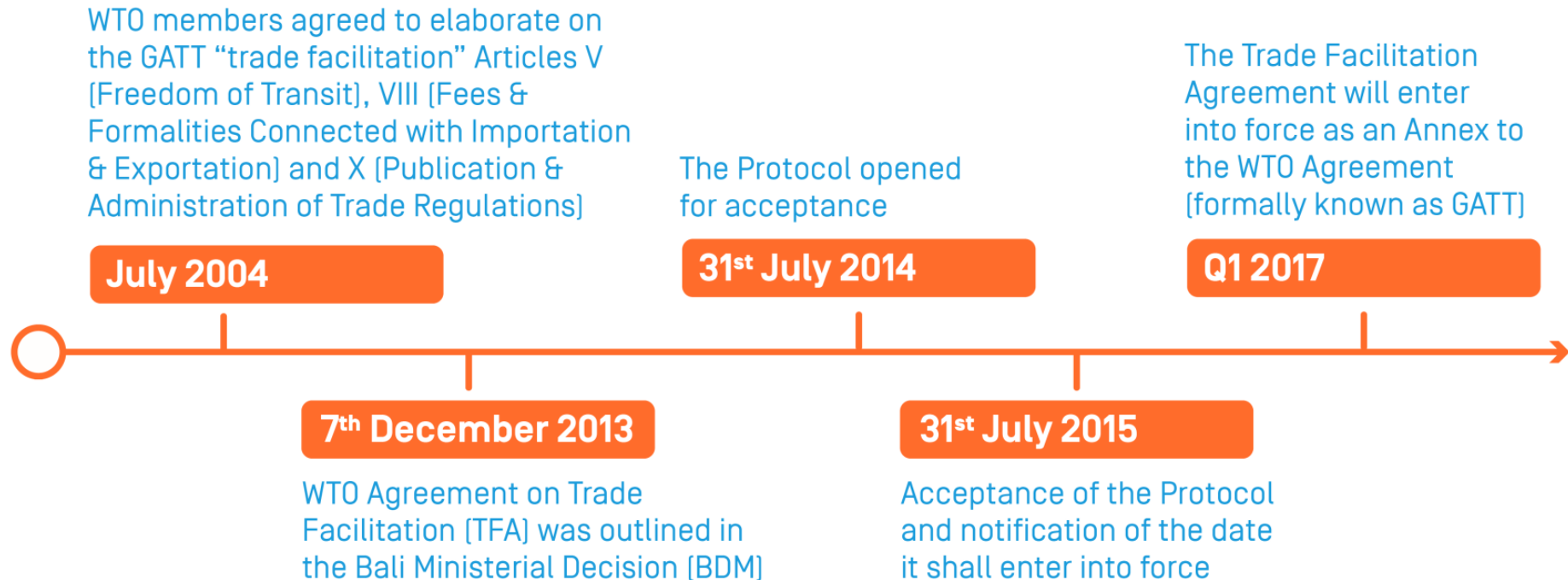
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(ACTS)



អង្គការសហប្រតិបត្តិការ  
អាស៊ាន  
ប្រព័ន្ធគ្រប់គ្រងការច្រកចេញ



# WTO Trade Facilitation Agreement



TFA came into force on 22nd February 2017 upon acceptance by 2/3 of Members (110 out of 160)

Cambodia ratified the agreement on 12 February 2016 ( the 69<sup>th</sup> member and the 8<sup>th</sup> least-developed country)



# WTO Trade Facilitation Agreement

## Objectives



Expedite movement, release  
and clearance of goods



Improve co-operation between  
customs and other authorities



Enhance technical assistance  
and build capacity

**80%**

Around 80% of the TFA  
provisions relate to customs  
processes



Sets up a commitment on behalf of  
WTO member states to implement  
TFA provisions into national law





# WTO Trade Facilitation Agreement

## Structure of the TFA:

- **Section I** contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It clarifies and improves the relevant articles (V, VIII and X) of the General Agreement on Tariffs and Trade (GATT) 1994.
- **Section II** contains provisions that allow developing and least-developed countries (LDCs) to determine when they will implement individual provisions of the Agreement.
- **Section III** contains provisions that establish a permanent committee on trade facilitation at the WTO, require members to have a national committee to facilitate domestic coordination and implementation of the provisions of the Agreement.



# WTO Trade Facilitation Agreement

## Section II

- **Category A:** provisions that the member will implement by the time the Agreement enters into force (or in the case of a least-developed country, within one year after entry into force)
- **Category B:** provisions that the member will implement after a transitional period following the entry into force of the Agreement
- **Category C:** provisions that the member will implement on a date after a transitional period following the entry into force of the Agreement and requiring the acquisition of assistance and support for capacity building



# WTO Trade Facilitation Agreement

## Status of Cambodia's Commitments



● A – 60.9% ● B – 19.3% ● C – 19.7% ● Not yet notified – 0.0%

TFAD (Trade Facilitation Agreement Database) [www.tfadatabase.org](http://www.tfadatabase.org)

(23 August 2017)



● A – 82.8% ● B – 3.8% ● C – 13.4% ● Not yet notified – 0.0%

(21 February 2020)

<https://www.tfadatabase.org/members/cambodia>



# Customs Clearance Guide

- How to access to the information on Customs procedures in Cambodia?

1.The Handbook on Customs Clearance

2.GDCE's official Website:

<http://www.customs.gov.kh>

3.National Trade Repository:

<http://www.cambodiantr.gov.kh>

