

**CHAPTER 3**  
**RULES OF ORIGIN**  
**SECTION A**

**Article 3.1: Definitions**

For the purposes of this Chapter:

- (a) **aquaculture** means the farming of aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as regular stocking, feeding, protection from predators, etc.;
- (b) **Costs, Insurance and Freight (CIF)** means the value of the good imported, and includes the costs of freight and insurance up to the port or place of entry into the country of importation. The valuation shall be determined in accordance with the Customs Valuation Agreement;
- (c) **Free-on-board (FOB)** means the free-on-board value of the good, inclusive of the costs of transport to the port or site of final shipment abroad. The valuation shall be determined in accordance with the Customs Valuation Agreement;
- (d) **Generally Accepted Accounting Principles (GAAP)** means the accounting standards, recognised consensus or substantial authoritative support of a Party, with respect to the recording of revenues, expenses, costs, assets and liabilities; the disclosure of information; and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices and procedures;
- (e) **good** means any merchandise, product, article, or material;
- (f) **identical and interchangeable materials** means materials being of the same kind which are fungible for commercial purposes, whose properties are essentially identical, and between which it is impractical to differentiate by a mere visual examination;
- (g) **material** means any matter or substance used in the production of goods, physically incorporated into a good or subjected to a process in the production of another good;
- (h) **originating material or originating good** means a material or good which qualifies as originating in accordance with the provisions of this Chapter;
- (i) **packing materials and containers for transportation** means the materials and

containers used to protect a good during its transportation, different from those materials and containers used for its retail sale;

- (j) **production** means methods of obtaining goods, including growing, raising, mining, harvesting, fishing, aquaculture, farming, trapping, hunting, capturing, gathering, collecting, breeding, extracting, manufacturing, producing, processing, assembling a good, etc.;
- (k) **Product Specific Rules** means rules that specify that the materials have undergone a change in tariff classification or a specific manufacturing or processing operation, or satisfy a Regional Value Content criterion or a combination of any of these criteria;
- (l) **Harmonised System** means the Harmonised Commodity Description and Coding System of the World Customs Organisation;
- (m) **neutral element** means a good used in the production, testing or inspection of another good but not physically incorporated into the good by itself;
- (n) **Customs Valuation Agreement** means the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, which is a part of the Marrakesh Agreement Establishing the World Trade Organisation;
- (o) **non-originating good or non-originating material** means a good or material that does not qualify as originating under this Chapter or a good or material of undetermined origin;

### **Article 3.2: Originating Goods**

For the purposes of this Chapter, a good shall be treated as an originating good and eligible for preferential tariff treatment if it is either:

- (a) wholly produced or obtained in a Party as provided in Article 3.3 (Goods Wholly Produced or Obtained) of this Chapter;
- (b) produced in a Party exclusively from originating materials;
- (c) produced from non-originating materials in a Party, provided that the good has satisfied the requirements of Article 3.4 (Goods Not Wholly Produced or Obtained) of this Chapter

and meets all other applicable requirements of this Chapter.

### **Article 3.3: Goods Wholly Produced or Obtained**

For the purposes of Article 3.2 (a), the following goods shall be considered as wholly produced or obtained:

- (a) plants and plant products (including fruits, flowers, vegetables, trees, seaweed, fungi and live plants) grown, harvested, picked, or gathered in a Party;
- (b) live animals born and raised in a Party;
- (c) goods obtained from live animals in a Party without further processing, including milk, eggs, natural honey, hair, wool, semen and dung;
- (d) goods obtained from hunting, trapping, fishing, aquaculture, gathering, or capturing in a Party;
- (e) minerals and other naturally occurring substances extracted or taken from the soil, waters, seabed or beneath the seabed in a Party;
- (f) goods taken from the waters, seabed or beneath the seabed outside the territorial waters of that Party, provided that that Party has the rights to exploit such waters, seabed and beneath the seabed in accordance with international law;
- (g) goods of sea fishing and other marine products taken from the high seas by vessels registered with a Party or entitled to fly the flag of that Party;
- (h) goods processed and/or made on board factory ships registered with a Party or entitled to fly the flag of that Party, exclusively from products referred to in paragraph (g) above;
- (i) waste and scrap derived from production process or from consumption in a Party provided that such goods are fit only for the recovery of raw materials; or
- (j) used goods consumed and collected in a Party provided that such goods are fit only for the recovery of raw materials; and
- (k) goods produced or obtained in a Party exclusively from products referred to in subparagraphs (a) to (j) or from derivatives of the goods produced or obtained in the Party exclusively from products referred to in subparagraphs (a) to (j).

#### **Article 3.4: Goods Not Wholly Produced or Obtained**

1. For the purposes of Article 3.2 (c) of this Chapter, except for those goods covered under paragraph 2, a good shall be treated as an originating good:

- (a) if the good has a regional value content of not less than 40 per cent of FOB calculated using the formula as described in Article 3.5 (Calculation of Regional Value Content) of this Chapter, and the final process of production is performed within a Party; or

- (b) for the purpose of goods classified in Chapters 25, 26, 28, 29<sup>1</sup>, 31<sup>2</sup>, 39<sup>3</sup>, 42-49, 57-59, 61, 62, 64, 66-71, 73-83, 86, 88, 91-97 of the Harmonised System if all non-originating materials used in the production of the goods have undergone a change in tariff classification (hereinafter referred to as "CTC") at the four-digit level, which is a change in tariff heading, of the Harmonised System.

2. In accordance with paragraph 1, and unless otherwise provided for in the Product Specific Rules as specified in Annex 2 (Product Specific Rules of Origin), a good shall be treated as an originating good if it meets a regional value content of not less than 40 per cent or those criteria in the Product Specific Rules.

### **Article 3.5: Calculation of Regional Value Content**

1. The Regional Value Content (RVC) shall be calculated as follows:

$$\text{RVC} = \frac{\text{FOB} - \text{VNM}}{\text{FOB}} \times 100\%$$

where:

**RVC** is the regional value content, expressed as a percentage;

**VNM** is the value of the non-originating materials.

2. VNM shall be determined according to the following circumstances:

- (a) in case of the imported non-originating materials, VNM shall be the CIF value of the materials at the time of importation;
- (b) in case of the non-originating materials obtained in a Party, VNM shall be the earliest ascertainable price paid or payable for the non-originating materials in that Party. The value of such non-originating materials shall not include freight, insurance, packing costs and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location.

3. If a product which has acquired originating status in accordance with paragraph 1 in a Party is further processed in that Party and used as material in the manufacture of another product, no account shall be taken of the non-originating components of that material in the determination of the originating status of the product.

<sup>1</sup> For Headings 29.01 and 29.02, the applied criterion is RVC 40%, unless otherwise mutually agreed by the Parties.

<sup>2</sup> For Headings 31.05, the applied criterion is RVC 40%, unless otherwise mutually agreed by the Parties.

<sup>3</sup> For Headings 39.01, 39.02, 39.03, 39.07 and 39.08, the applied criterion is RVC 40%, unless otherwise mutually agreed by the Parties.

4. The valuation shall be determined in accordance with the Customs Valuation Agreement.

### **Article 3.6: Accumulation**

Unless otherwise provided in this Chapter, goods originating in a Party, which are used in another Party as materials for finished goods eligible for preferential tariff treatment, shall be treated as originating in the latter Party where working or processing of the finished goods has taken place.

### **Article 3.7: Minimal Operations and Processes**

Notwithstanding any provisions of this Chapter, the following operations when undertaken on non-originating materials to produce a good shall be considered as insufficient working or processing to confer on that good the status of an originating good:

- (a) preserving operations to ensure that the good remains in good condition for the purposes of transport or storage;
- (b) packaging or presenting goods for transportation or sale;
- (c) simple<sup>4</sup> processes, consisting of sifting, screening, sorting, classifying, sharpening, cutting, slitting, grinding, bending, coiling, or uncoiling;
- (d) affixing or printing of marks, labels, logos, or other like distinguishing signs on goods or their packaging;
- (e) mere dilution with water or another substance that does not materially alter the characteristics of the good;
- (f) disassembly of products into parts;
- (g) slaughtering<sup>5</sup> of animals;
- (h) simple painting and polishing operations;
- (i) simple peeling, stoning, or shelling;
- (j) simple mixing of goods, whether or not of different kinds; or
- (k) any combination of two or more operations referred to in subparagraphs (a) through (j).

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<sup>4</sup> For the purposes of this Article, "simple" describes an activity which does not need special skills, machines, apparatus, or equipment especially produced or installed for carrying out the activity.

<sup>5</sup> For the purposes of this Article, "slaughtering" means the mere killing of animals.

### **Article 3.8: Direct Consignment**

1. Preferential tariff treatment shall be applied to goods satisfying the requirements of this Chapter and which are consigned directly between the exporting Party and the importing Party.
2. The following shall be considered as consigned directly from the exporting Party to the importing Party:
  - (a) goods transported directly from an exporting Party to the importing Party; or
  - (b) goods transported through one or more non-Parties, provided that:
    - (i) the transit entry is justified for geographical reason or by consideration related exclusively to transport requirements;
    - (ii) the goods have not entered into trade or consumption there; and
    - (iii) the goods have not undergone any operation there other than unloading and reloading or any other operation to preserve them in good condition.

### **Article 3.9: *De Minimis***

A good that does not satisfy a change in tariff classification requirement pursuant to Article 3.4 (Goods Not Wholly Produced or Obtained) of this Chapter will nonetheless be an originating good if:

- (a) for a good, other than that provided for in Chapters 50 to 63 of the Harmonised System, the value of all non-originating materials used in the production of the good that did not undergo the required change in tariff classification does not exceed 10 per cent of the FOB value of the good;
- (b) for a good provided for in Chapters 50 to 63 of the Harmonised System, the weight of all non-originating materials used in its production that did not undergo the required change in tariff classification does not exceed 10 per cent of the total weight of the good, or the value of all non-originating materials used in the production of the good that did not undergo the required change in tariff classification does not exceed 10 per cent of the FOB value of the good;

and the good meets all other applicable criteria of this Chapter.

### **Article 3.10: Treatment of Packing Materials, Packages and Containers**

1. Packing materials, packages and containers for transportation shall not be taken into account in determining the origin of the goods.

2. Packing materials, packages and containers for use in packaging goods for retail sale:

- (a) Where the goods are subject to a regional value content criterion, the value of the packing materials, packages and containers used for packaging goods for retail sale shall be taken into account in origin determination, provided that the packing materials, packages and containers are classified with the goods.
- (b) Where the goods are subject to a change in tariff classification criterion, the origin of the packing materials, packages and containers in which goods are packaged for retail sale shall not be taken into account in origin determination, provided that the packing materials, packages and containers are classified with the goods.

**Article 3.11: Accessories, Spare Parts and Tools**

1. Accessories, spare parts, or tools presented and classified with the good shall be considered as part of the good, provided:

- (a) they are invoiced together with the good; and
- (b) their quantity and value are commercially customary for the good.

2. Where a good is subject to change in tariff classification criterion set out in Annex 2 (Product Specific Rules of Origin), accessories, spare parts, or tools described in paragraph 1 shall be disregarded when determining the origin of the good.

3. Where a good is subject to a regional value content criterion, the value of the accessories, spare parts or tools described in paragraph 1 shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating the regional value content of the good.

**Article 3.12: Neutral Elements**

In determining whether a good is an originating good, the origin of the following neutral elements shall be disregarded:

- (a) fuel, energy, catalysts and solvents;
- (b) equipment, devices and supplies used for testing or inspecting the goods;
- (c) gloves, glasses, footwear, clothing, safety equipment and supplies;
- (d) tools, dies and moulds;
- (e) spare parts and materials used in the maintenance of equipment and buildings;

- (f) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings; and
- (g) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production.

#### **Article 3.13: Identical and Interchangeable Materials**

Where originating and non-originating identical and interchangeable materials are used in the production of a good, the following methods shall be adopted in determining whether the materials used are originating:

- (a) physical separation of the materials; or
- (b) an inventory management method recognised in the generally accepted accounting principles of the exporting Party. Once a decision has been taken on the inventory management method, that method shall be used throughout the fiscal year.

#### **Article 3.14: Certificate of Origin**

Unless otherwise provided, a claim that goods are eligible for preferential tariff treatment shall be supported by a Certificate of Origin issued by an Issuing Authority notified to the other Parties as set out in Annex 3 (Certificate of Origin).

#### **Article 3.15: Consultations, Review and Modification**

1. The Parties shall consult regularly to ensure that this Chapter is administered effectively, uniformly and consistently in order to achieve the spirit and objectives of the Agreement.
2. This Chapter may be reviewed and modified as and when necessary, upon request of a Party, and subject to the agreement of the Parties, and may be open to such reviews and modifications as may be agreed upon by the China-Cambodia Free Trade Area Joint Commission.

#### **Article 3.16: Committee on Rules of Origin**

1. The Committee on Rules of Origin (hereinafter referred to in this Article as “the Committee”) consisting of representatives of both Parties is hereby established under the Joint Commission.



2. The Committee shall deal with the following issues relating to China-Cambodia Free Trade Agreement (CCFTA) Rule of Origin:

- (a) monitor and review of measures taken and implementation of commitments;
- (b) exchange of information and review developments;
- (c) other matters as the Parties may agree;
- (d) other matters that are referred to the Committee by the Joint Commission; and
- (e) make recommendations and report to the Joint Commission as necessary.

3. The Committee shall be co-chaired by representatives of the competent authorities of Parties. The host Party shall act as the chair. The chairperson shall prepare a provisional agenda for each meeting of the Committee in consultation with the other Party and forward it to the other Party before the meeting.

4. The Committee shall meet as often as necessary upon instruction of the Joint Commission or as agreed by the Parties. The meeting shall take place either in China or Cambodia as mutually agreed by the Parties.

5. The Committee shall prepare a written report on the results of each meeting.

6. The Committee shall designate contact points to ensure the effective and efficient implementation of this Chapter.

## SECTION B

For the purpose of implementing the Rules of Origin for the CCFTA, the following operational procedures on the issuance and verification of the Certificate of Origin and other related administrative matters shall be followed:

### DEFINITIONS

#### Rule 1

For the purposes of this Section:

'**Customs Authority**' means the competent authority that is responsible under the law of a Party for the Authority of customs laws and regulations<sup>6</sup>;

'**Exporter**' means a natural or juridical person located in the territory of a Party from where a product is exported by such a person;

'**Importer**' means a natural or juridical person located in the territory of a Party into where a product is imported by such a person;

'**Issuing Authority**' means any government authority or other entity authorised under the domestic laws, regulations and administrative rules of a Party to issue a Certificate of Origin.

### ISSUING AUTHORITIES

#### Rule 2

The Certificate of Origin shall be issued by the Issuing Authorities of the exporting Party.

#### Rule 3

- (a) Each Party shall inform the other Party of the names and addresses of its respective Issuing Authorities and shall provide specimen signatures<sup>7</sup> and specimen of official seals, and correction stamps, if any, used by its Issuing Authorities.

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<sup>6</sup> Such laws and regulations administered and enforced by the Customs Authority of each Party concerning importation, exportation and transit of products as they relate to customs duties, charges or other taxes or prohibitions, restrictions and controls with respect to the movement of controlled items across the boundary of the Customs Authority of each Party.

<sup>7</sup> The requirement to circulate specimen signatures is not necessary when the issuing authority has established the website containing relevant information of Certificate of Origin that the importing party can access.

- (b) The above information shall be provided by the contact points electronically at least one month before they take effect. A Party shall promptly inform the other Party of any changes in names, addresses, or official seals in the same manner.
- (c) A Party shall promptly provide confirmation to the other Party that it has received the information above and any change thereof.

#### **Rule 4**

For the purpose of verifying the conditions for preferential treatment, the Issuing Authorities shall have the right to call for any supporting documentary evidence or to carry out any checks considered appropriate. If such right cannot be obtained through the existing domestic laws, regulations and administrative rules, it shall be inserted as a clause in the application form referred to in Rules 5 and 6 of this Section.

### **APPLICATIONS**

#### **Rule 5**

- (a) The exporter and/or the manufacturer of the products which qualify for preferential treatment shall apply to the Issuing Authorities requesting the pre-exportation verification of the origin of the products. The result of the verification, subject to review periodically or whenever appropriate, shall be accepted as the supporting evidence in verifying the origin of the said products to be exported thereafter. The pre-verification may not apply to the products which, by their nature, origin can be easily verified.
- (b) For locally-procured materials, self-declaration by the final manufacturer exporting under the CCFTA shall be used as the basis when applying for the issuance of the Certificate of Origin.

#### **Rule 6**

At the time of carrying out the formalities for exporting the products under preferential treatment, the exporter or his authorised representative shall submit 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<sup>8</sup>.

### **PRE-EXPORTATION EXAMINATION**

#### **Rule 7**

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<sup>8</sup> A manufacturer can apply for a Certificate of Origin in the case where the manufacturer needs to authorise other agencies to export on its behalf.

The Issuing Authorities of each Party shall, to the best of their competence and ability, carry out proper examination of each application for the Certificate of Origin to ensure that:

- (a) the application and the Certificate of Origin are duly completed in accordance with the requirements as defined in the overleaf notes of the Certificate of Origin, and signed by the authorised signatory;
- (b) the origin of the product is in conformity with the Rules of Origin for the CCFTA;
- (c) the other statements made in the Certificate of Origin correspond to the supporting documentary evidence submitted;
- (d) the description, quantity and weight of products, marks and number of packages, number and kinds of packages, as specified, conform to the products to be exported;
- (e) multiple items declared on the same Certificate of Origin shall be allowed subject to the domestic laws, regulations and administrative rules of the importing Party provided each item must qualify separately in its own right.

## **ISSUANCE OF CERTIFICATE OF ORIGIN**

### **Rule 8**

- (a) The Certificate of Origin must be on ISO A4 size white paper in conformity to the specimen shown in Annex 3 (Certificate of Origin). It shall be filled out in English and bear an authorised signature and official seal of the issuing authorities of the exporting Party. The signature and seal shall be applied manually or electronically. The Certificate of Origin shall comprise one (1) original and two (2) copies, namely, the duplicate and triplicate copies.
- (b) For a Certificate of Origin with multiple pages, the Parties shall use the attached Form shown in Annex 3 (Certificate of Origin). The continuing page(s) shall bear the same signature, seal and reference number as those on the first page.
- (c) Each Certificate of Origin shall contain a unique reference number and cover one or more goods under one consignment.
- (d) The original copy of the Certificate of Origin shall be forwarded by the exporter to the importer for submission to the Customs Authority at the port or place of importation if the submission of the original copy of the Certificate of Origin is required by Customs Authority of the importing Party. The duplicate copy shall be retained by the Issuing Authority in the exporting Party. The triplicate copy shall be retained by the exporter.
- (e) In the case where a Certificate of Origin is rejected by the Customs Authority of the importing Party, the said rejected Certificate of Origin shall be marked accordingly

in Box 4.

- (f) In the case where a Certificate of Origin is not accepted, as stated in paragraph (e), the Customs Authority of the importing Party shall consider the clarifications made by the Issuing Authorities of the exporting Party and assess whether or not the Certificate of Origin can be accepted for the granting of the preferential treatment. The clarification shall be detailed and exhaustive in addressing the grounds for denial of preferential treatment raised by the importing Party.

#### **Rule 9**

To implement the provisions of Article 3.2 (Originating Goods) of this Chapter for the CCFTA, the Certificate of Origin issued by the exporting Party shall indicate the origin criteria or applicable percentage of CCFTA value content in Box 8.

#### **Rule 10**

Neither erasures nor superimposition shall be allowed on the Certificate of Origin. Any alteration shall be made by striking out the erroneous materials and making any addition required. Such alterations shall be approved by an official authorised to sign the Certificate of Origin and certified with official seals or correction stamps of the Issuing Authority. Unused spaces shall be crossed out to prevent any subsequent addition.

#### **Rule 11**

In principle, a Certificate of Origin shall be issued prior to or at the time of shipment. In exceptional cases where the Certificate of Origin has not been issued by the time of shipment or no later than three (3) days from the date of shipment, at the request of the exporter, the Certificate of Origin shall be issued retroactively in accordance with the domestic laws, regulations and administrative rules of the exporting Party within twelve (12) months from the date of shipment, in which case it is necessary to indicate "ISSUED RETROACTIVELY" in Box 13. In such cases, the importer claiming preferential treatment for the product may, subject to the domestic laws, regulations and administrative rules of the importing Party, provide the Customs Authority of the importing Party with the Certificate of Origin issued retroactively.

#### **Rule 12**

In the event of theft, loss or destruction of a Certificate of Origin, the exporter may apply in writing to the Issuing Authority which issued it for a certified true copy of the original and the triplicate to be made on the basis of the export documents in its possession bearing the endorsement of the words "CERTIFIED TRUE COPY" in Box 12. The certified true copy of the original Certificate of Origin shall bear the date of the original Certificate of Origin. The certified true copy of the original Certificate of Origin shall be issued no later than one (1) year from the date of issuance of the original Certificate of Origin and on condition that the exporter provides to the relevant Issuing Authority the triplicate copy of the Certificate of Origin or any proof of the issuance of the original Certificate of Origin.

## PRESENTATION

### Rule 13

The original Certificate of Origin shall be submitted to the Customs Authority of the importing Party at the time of import declaration for the products concerned claiming for preferential treatment, either manually or electronically, in accordance with the domestic laws, regulations and administrative rules of the importing Party.

### Rule 14

The Certificate of Origin shall have the validity period of one (1) year from the date of its issuance. If the submission of the Certificate of Origin is required by the customs authority of the importing party, it must be done during the said period.

### Rule 15

- (a) In the case of the consignment of products originating in the exporting Party and not exceeding US\$ 200.00 FOB, the production of a Certificate of Origin shall be waived and the use of a simplified declaration by the exporter that the products in question originated in the exporting Party shall be accepted. Products sent through the post not exceeding US\$200.00 FOB shall also be similarly treated.
- (b) Waivers provided for in paragraph (a) shall not be applicable when it is established by the customs authorities of the importing Party that the importation forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the submission of a Certificate of Origin or Certificates of Origin.

### Rule 16

- (a) Where the CCFTA origin of the product is not in doubt, unsubstantial discrepancies such as tariff classification differences between the statements made in the Certificate of Origin and those made in the documents submitted to the Customs Authority of the importing Party for the purpose of carrying out the formalities for importing the products, shall not, *ipso-facto*, invalidate the Certificate of Origin, if it does in fact correspond to the products submitted.
- (b) In cases where there are only unsubstantial discrepancies as indicated in paragraph (a) between the exporting Party and importing Party, the products shall be released without any delay subject to administrative measures, such as imposition of customs duties at the higher applied rate or its equivalent amount of deposit. Once the discrepancies have been resolved, the correct CCFTA rate is to be applied and any overpaid duty shall be refunded, in accordance with the domestic laws, regulations and administrative rules of the importing Party.

- (c) For multiple items declared under the same Certificate of Origin, a problem encountered with one of the items listed shall not affect or delay the granting of preferential treatment and customs clearance of the remaining items listed in the Certificate of Origin. Rule 17(a)(ii) of this Chapter may be applied to the problematic items.

#### **Rule 17**

- (a) The Customs Authority of the importing Party may request a retroactive check at random and/or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question or of certain parts thereof.
  - (i) The request shall be made in writing, accompanied by a copy of the Certificate of Origin and shall specify the reasons and any additional information suggesting that the particulars given on the said Certificate of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
  - (ii) The Customs Authority of the importing Party may suspend the granting of preferential treatment while awaiting the result of the verification. However, it may release the products to the importer subject to any administrative measures deemed necessary, including imposition of customs duties at the higher applied rate or equivalent amount of deposit, provided that they are not held to be subject to import prohibition or restriction and there is no suspicion of fraud.
  - (iii) The Customs Authority or the Issuing Authority of the exporting Party receiving a request for retroactive check shall respond to the request promptly and reply not later than ninety (90) days after the receipt of the request. The Customs Authority or the Issuing Authority of the exporting Party may request, in writing, an extension of time of up to ninety (90) days as long as the extension request is made within the initial ninety (90) day period.
- (b) If the Customs Authority of the importing Party is not satisfied with the outcome of the retroactive check, it may, in exceptional cases, request verification visits to the exporting Party.
  - (i) Prior to the conduct of a verification visit pursuant to the provisions herein, the Customs Authority of the importing Party shall notify the competent authority of the exporting Party with the aim of mutually agreeing on the conditions and means of the verification visit.
  - (ii) The verification visit shall be conducted not later than sixty (60) days after receipt of the notification pursuant to sub-paragraph (b)(i).
- (c) The verification process, including the retroactive check and verification visit, shall be carried out and its results communicated to the Customs Authority and/or the

Issuing Authority of the exporting Party within a maximum of one hundred and eighty (180) days after the receipt of the request. In the event that an extension request has been made pursuant to sub-paragraph a(iii), the verification process, including the retroactive check and verification visit, shall be carried out and its results communicated to the Customs Authority and/or the Issuing Authority of the exporting Party shall be extended from one hundred and eighty (180) days to a maximum of two hundred and seventy (270) days after the receipt of the request. While awaiting the results of the verification visit, sub-paragraph (a)(ii) on the suspension of preferential treatment shall be applied.

- (d) All exchanges of information regarding the verification request should be done only through the respective contact points of the Parties.
- (e) The preferential treatment may be denied when the exporting Party fails to respond to the request to the satisfaction of the Customs Authority of the importing Party in the course of a retroactive check or verification process, as the case may be, within the time frame for verification specified in paragraphs (a), (b) and (c).
- (f) Each Party shall maintain the confidentiality of the information and documents provided by the other Party in the course of the verification process. Such information and documents shall not be used for other purposes, including being used as evidence in administrative and judicial proceedings, without the explicit written permission of the Party providing such information.

## **RECORD KEEPING REQUIREMENT**

### **Rule 18**

- (a) The application for the Certificate of Origin and all documents related to such application shall be retained by the Issuing Authority for not less than three (3) years from the date of issuance.
- (b) Information relating to the validity of the Certificate of Origin shall be furnished upon request by the importing Party.
- (c) Any information communicated between the Parties concerned shall be treated as confidential and shall be used for the validation of the Certificate of Origin purposes only.
- (d) For the purposes of the verification process/retroactive check pursuant to Rule 17 of this Section, the producer and/or exporter applying for the issuance of a Certificate of Origin shall, subject to the domestic laws, regulations and administrative rules of the exporting Party, keep the supporting records for the said application for not less than three (3) years from the date of issuance of the Certificate of Origin.



## SPECIAL CASES

### Rule 19

For the purpose of implementing Article 3.8 (Direct Consignment) of the Rules of Origin for the CCFTA, where transportation is effected through the territory of one or more non-Parties, the following shall be submitted to the Customs Authority of the importing Party:

- (a) A through Bill of Lading issued in the exporting Party;
- (b) A Certificate of Origin issued by the relevant Issuing Authorities of the exporting Party;
- (c) A copy of the original commercial invoice in respect of the product; and
- (d) Supporting documents evidencing that the requirements of Article 8.2(b) sub-paragraphs (i), (ii) and (iii) of the Rules of Origin for the CCFTA are being complied with.

### Rule 20

- (a) Products sent from an exporting Party for exhibition in the other Party and sold during or after the exhibition for importation into a Party shall benefit from the preferential treatment on the condition that the products meet the requirements of the Rules of Origin for the CCFTA provided it is shown to the satisfaction of the Customs Authority of the importing Party that:
  - (i) an exporter has dispatched those products from the territory of the exporting Party to the other Party where the exhibition is held and has exhibited them there;
  - (ii) the exporter has sold the products or transferred them to a consignee in the importing Party; and
  - (iii) the products have been consigned during the exhibition or immediately thereafter to the importing Party in the state in which they were sent for exhibition.
- (b) For purposes of implementing the above provisions, the Certificate of Origin must be submitted to the Customs Authority of the importing Party. The name and address of the exhibition must be indicated, a certificate issued by the Issuing Authority of the Party where the exhibition took place together with supporting documents prescribed in Rule 19(d) of this Section may be required.
- (c) Paragraph (a) shall apply to any trade, agricultural or crafts exhibition, fair or similar show or display in shops or business premises with a view to the sale of foreign products and where the products remain under customs control during the exhibition.

### **Rule 21**

The Customs Authority of the importing Party shall accept a Certificate of Origin in cases where the sales invoice is issued either by a company located in a third country or by an CCFTA exporter for the account of the said company, provided that the product meets the requirements of the Rules of Origin for the CCFTA. The original invoice number or the third party invoice number shall be indicated in Box 10 of the Certificate of Origin, the exporter and consignee must be located in the Parties and the third party invoice shall be attached to the Certificate of Origin when presenting the said Certificate of Origin to the Customs Authority of the importing Party if it is required to be submitted to the Customs Authority of the importing Party.

## **ACTION AGAINST FRAUDULENT ACTS**

### **Rule 22**

- (a) When it is suspected that fraudulent acts in connection with the Certificate of Origin have been committed, the Government authorities of the Parties concerned shall co-operate in the action to be taken in the territory of the respective Parties against the persons involved.
- (b) Each Party shall be responsible for providing legal sanctions for fraudulent acts committed in relation to the Certificate of Origin in accordance with its domestic laws, regulations and administrative rules.

### **Rule 23**

In the case of a dispute concerning origin determination, classification of products or other matters, the Government authorities of the Parties concerned shall consult each other with a view to resolving the dispute.

### **Rule 24**

Both Parties endeavour to develop an Electronic Origin Data Exchange System before the implementation of this Agreement to ensure the effective and efficient implementation of this Chapter in a manner jointly determined by the Parties.

## CHAPTER 4

### CUSTOMS PROCEDURES AND TRADE FACILITATION

#### Article 4.1: Definitions

For purposes of this Chapter:

**Customs Administration** means:

- (a) for China, the General Administration of Customs of the People's Republic of China; and
- (b) for Cambodia, The General Department of Customs and Excise of Cambodia.

**Customs law** means the statutory and regulatory provisions relating to the importation, exportation, movement or storage of goods, the administration and enforcement of which are specifically charged to the Customs, and any regulations made by the Customs under their statutory powers;

**Customs Procedures** mean the treatment applied by the customs administration to goods and means of transport that are subject to that Party's customs law;

**Customs Valuation Agreement** means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) 1994, contained in Annex 1A to the WTO Agreement; and

**Means of Transport** means various types of vessels, vehicles and aircrafts and pack-animals which enter or leave the territory carrying persons and/or goods under each Party's domestic laws and regulations.

#### Article 4.2: Scope and Objectives

1. This Chapter shall apply, in accordance with the Parties respective international obligations and their laws and regulations, to customs procedures applied to goods traded and to the movement of means of transport between the Parties.

2. The objectives of this Chapter are to:

- (a) simplify customs procedures of the Parties and harmonise them to the extent possible with relevant international standards;
- (b) ensure predictability, consistency and transparency in the application of customs law of the Parties;

- (c) promote the efficient administration of customs procedures and expeditious clearance of goods;
- (d) facilitate trade between the Parties including through a strengthened environment for global and regional supply chain; and
- (e) promote cooperation between the customs administrations, within the scope of this Chapter.

#### **Article 4.3: Facilitation**

The customs administrations shall use efficient customs procedures, as appropriate, based on international standards, aiming to reduce costs and unnecessary delays in trade between them, in particular the standards and recommended practices of the World Customs Organisation International Convention on the Simplification and Harmonization of Customs Procedures (as amended), known as the Revised Kyoto Convention.

#### **Article 4.4: Transparency**

1. Each customs administration shall promptly publish, including on the Internet, its laws, regulations, and where applicable, administrative rules or procedures, of general application, relevant to trade in goods between the Parties.
2. Each customs administration shall designate one or more enquiry points to address enquiries from interested persons on customs matters, and shall make available on the Internet information concerning procedures for making such enquiries.

#### **Article 4.5: Customs Valuation**

The customs administrations shall determine the customs value of goods traded between them in accordance with the provisions of the Customs Valuation Agreement.

#### **Article 4.6: Tariff Classification**

The customs administrations shall apply the International Convention on the Harmonized Commodity Description and Coding System to goods traded between them.

#### **Article 4.7: Customs Cooperation**

Permitted by their laws and regulations, the customs administrations of both Parties shall assist each other, in relation to:

- (a) the implementation and operation of this Chapter and the Memorandum of Understanding Between the General Administration of Customs of the People's Republic of China and the General Department of Customs and Excise of the Kingdom of Cambodia on Cooperation and Mutual Assistance in Customs Matters; and
- (b) such other issues as the Parties may mutually agree.

#### **Article 4.8: Use of Automated Systems**

1. The customs administration of each Party, where applicable, shall have its own system that supports electronic customs operations.
2. In implementing initiatives, the customs administration of each Party, taking into consideration the available infrastructure and capabilities of each Party, shall take into account the relevant standards and best practices recommended by the World Customs Organisation.

#### **Article 4.9: Advance Rulings**

1. The customs administration of each Party shall issue an advance ruling, prior to the importation of a good into its territory, at the written request containing all necessary information, on an application of the exporter, importer or any person with a justifiable cause or a representative thereof<sup>9</sup>, with respect to:
  - (a) Origin of a good;
  - (b) Tariff classification of a good;
  - (c) The appropriate method or criteria, and the application thereof, to be used for determining the customs value under a particular set of facts, in accordance with the provisions of the Customs Valuation Agreement; and
  - (d) such other matters as the Parties may decide.
2. The customs administration of the importing Party shall issue an advance ruling within ninety (90) days on receipt of all necessary information.
3. The customs administration of each Party shall establish a validity period for an advance ruling of three (3) years from the date of its issuance.
4. The customs administration of the importing Party may modify or revoke an advance ruling:

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<sup>9</sup> An applicant for an advance ruling from China shall be registered with China Customs.

- (a) if the advance ruling was based on an error of fact;
- (b) if there is a change in the material facts or circumstances on which the advance ruling was based;
- (c) to conform with a change in its domestic laws, a judicial decision or a modification of this Chapter; or
- (d) if incorrect information was provided or relevant information was withheld.

#### **Article 4.10: Release of Goods**

1. The customs administration of each Party shall adopt or maintain simplified customs procedures for the efficient release of goods in order to facilitate trade between the Parties. This paragraph shall not require a Party to release a good if its requirements for release have not been met.

2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures that allow the goods to be cleared from customs within a period no longer than that required to ensure compliance with its customs law.

3. For goods selected for further examination, such an examination shall be limited to what is reasonable and necessary, and undertaken and completed without undue delay.

#### **Article 4.11: Risk Management**

1. The customs administrations shall adopt a risk management approach in determining the risk profile of goods to facilitate the clearance of low-risk consignments, while focusing its control measures on high-risk goods.

2. The customs administration of each Party shall, determine which persons, goods or means of transport are to be examined and the extent of such examination, based on risk management.

3. The customs administrations shall exchange best practices on risk management techniques.

#### **Article 4.12: Post Clearance Audit**

With a view to enhancing customs control, each customs administration shall adopt or maintain post clearance audit to ensure compliance with its customs law.

#### **Article 4.13: Authorised Economic Operators**

1. The customs administration of each Party shall endeavour to implement the program of Authorised Economic Operators (hereinafter as "AEO") to promote informed compliance and efficiency of customs control.

2. The customs administrations of the Parties shall endeavour to work towards mutual recognition of AEO.

3. The customs administrations are encouraged to cooperate, where appropriate, and consider ways to designate customs officers as coordinators for authorised economic operators to resolve customs issues, as to enhance the benefits of such schemes.

#### **Article 4.14: Consultation and Contact Point**

1. The customs administration of each Party may at any time request consultations with the customs administration of the other Party, on any matter arising from the implementation or operation of this Chapter, in cases where there are reasonable grounds or truth provided by the requesting Party.

2. In the event that such consultations fail to resolve any such matter, the requesting Party may refer the matter to the Committee on Customs Procedures and Trade Facilitation referred to in Article 4.15 (Committee on Customs Procedures and Trade Facilitation) for further consideration.

3. Each customs administration shall designate one or more contact points for the purposes of this Chapter. Information on the contact points shall be provided to the other Party and any amendment of the said information shall be notified promptly.

#### **Article 4.15: Committee on Customs Procedures and Trade Facilitation**

1. With the view to the effective implementation and operation of this Chapter, a Committee on Customs Procedures and Trade Facilitation (hereinafter as "CPTF") is hereby established, under the Joint Commission of China-Cambodia FTA.

2. The function of the Committee on CPTF shall be as follows:

- (a) ensure the proper function of this Chapter and resolve all issues arising from its application;
- (b) review the interpretation and implementation of this Chapter;
- (c) identify areas related to this Chapter to be improved for facilitating trade between the Parties; and
- (d) make recommendations and report to the Joint Commission.

3. The Committee on CPTF shall consist of representatives from customs administrations of both Parties, and shall meet at such venues and times as agreed by the Parties. One or more contact points shall be designated for this purpose.